IDFCBANK/SD/SE/62/2018-19

July 28, 2018

The Manager - Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051

NSE Scrip Code: IDFCBANK

The Manager - Listing Department
BSE Limited
1st Floor, P. J. Towers,
Dalal Street,
Mumbai 400 001

BSE Scrip Code: 539437

Dear Sirs,

Sub: Meeting of Equity Shareholders and Creditors of IDFC Bank convened as per the directions of the National Company Law Tribunal, Chennai Bench

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that as per the Order of National Company Law Tribunal, Chennai Bench ('**NCLT**'), dated **July 19, 2018**, the below meetings are scheduled to be held on **Monday, September 03, 2018** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India, to consider and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

1. Meeting of the Secured Creditors at 9:30 a.m.
2. Meeting of the Unsecured Creditors at 11:00 a.m.
3. Meeting of the Equity Shareholders at 2:00 p.m.

The Bank is providing facilities for voting through Remote e-voting (for Equity Shareholders), Postal Ballot and Poll at the Meeting to enable voting on the Resolution proposed in the aforesaid Notices.

The period for Remote e-voting and Postal Ballot is as follows:

Start Date and Time	Saturday, August 04, 2018 at 9:00 a.m.
End Date and Time	Sunday, September 02, 2018 at 5:00 p.m.

Accordingly, Notices for the Meetings of Equity Shareholders, Unsecured Creditors and Secured Creditors are attached herewith as Annexure 1, Annexure 2 and Annexure 3 respectively. These Notices are also available on the Bank's Website at https://www.idfcbank.com/investor-relations/merger.html.

The cut-off date for determining eligibility to vote shall be **Friday, July 13, 2018**.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For IDFC Bank Limited

IDFC BANK LIMITED MUMBAI

Mahendra N. Shah
Group Company Secretary & Group Compliance Officer

Encl.: As above

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF IDFC BANK LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

MEETING:

Day	:	Monday
Date	:	September 03, 2018
Time	:	2:00 p.m.
Venue	:	The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India

POSTAL BALLOT AND E-VOTING:

Start Date and Time	:	Saturday, August 04, 2018 at 9:00 a.m.
End Date and Time	:	Sunday, September 02, 2018 at 5:00 p.m.

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Before the National Company Law Tribunal, Chennai Bench
COMPANY SCHEME APPLICATION NO. 132 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT/AMALGAMATED COMPANY

To,

All the Equity Shareholders of IDFC Bank Limited (the '**Applicant/Amalgamated Company**' or '**the Bank**'):

NOTICE is hereby given that by an Order dated July 19, 2018 in the above mentioned Company Scheme Application (the **'Order'**), the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**') has directed a Meeting be held of the Equity Shareholders of the Applicant/Amalgamated Company for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation ('**Scheme**') of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('**Amalgamation**').

In pursuance of the said Order and as directed therein, further notice is hereby given that a Meeting of the Equity Shareholders of the Applicant/Amalgamated Company will be held on **Monday, September 03, 2018** at **2:00 p.m.**, at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India at which time and place the said Equity Shareholders are requested to attend, to pass the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 230, Section 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules, circulars and notifications made thereunder, as may be applicable, the Banking Regulation Act, 1949, the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016, the Reserve Bank of India Act, 1934 and all circulars, notifications, guidelines, directions framed thereunder (including any statutory modification(s) or re-enactment(s) thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and all amendments thereto, any other applicable laws and regulations, the Observation Letters issued by BSE Limited and the National Stock Exchange of India Limited, both dated May 25, 2018 and subject to the provisions of the Memorandum and Articles of Association of the Bank and subject to approval of the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**') and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the '**Board**', which term shall be deemed to include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Amalgamation ('**Scheme**') of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors ('**Amalgamation**') as placed before this Meeting and initialed by the Chairperson of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board and Mr. Mahendra N. Shah – Group Company Secretary & Group Compliance Officer be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT or by any regulatory or other authorities while sanctioning the Scheme, as may be deemed fit."

Explanatory Statement under Section 230(3), Section 232(2) read with Section 102 of the Companies Act, 2013, along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith. Copies of the said Scheme and the Explanatory Statement along with Proxy Form, Attendance Slip and Postal Ballot Form can be obtained free of charge from the Registered Office of the Bank. Persons entitled to attend and vote at the Meeting, may vote in person or by Proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Bank at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031, Tamil Nadu, India not later than 48 hours before the Meeting.

In accordance with the applicable regulatory provisions, in addition to casting of votes on Poll at the Meeting, the Bank is providing the Equity Shareholders with the facility for casting their votes either by way of Postal Ballot or by way of voting electronically from a place other than venue of general meeting **('Remote e-voting')**. The Remote e-voting facility is being offered by Karvy Computershare Private Limited **('Karvy')**. The Shareholders may refer to the Notes to this Notice for further details on voting through Postal Ballot and Remote e-voting. The voting rights of the Equity Shareholders shall be in proportion to their Equity Shareholding in the Bank as on closure of business hours on **Friday, July 13, 2018 ('Cut-off Date')**.

The Remote e-voting and Postal Ballot shall remain open from **Saturday, August 04, 2018** at **9:00 a.m.** to **Sunday, September 02, 2018** at **5:00 p.m.**

The NCLT has appointed Ms. Veena Mankar, Independent Non-Executive Chairperson of the Bank and failing her, Dr. Rajiv B. Lall, Founder Managing Director and CEO of the Bank as Chairperson of the said Meeting. The above mentioned Amalgamation, if approved at the Meeting, will be subject to approval of the Hon'ble NCLT.

A route map along with prominent landmark for easy location to reach the venue of the Meeting is annexed with this Notice.

Sd/-
Veena Mankar
Chairperson appointed for the Meeting

Dated this 20th day of July, 2018

Registered Office:
KRM Towers, 7th Floor,
No. 1 Harrington Road,
Chetpet, Chennai - 600 031

Notes:

1. Explanatory Statement pursuant to Section 230(3), Section 232(2) read with Section 102 of the Companies Act, 2013 to the Notice of the Meeting of the Equity Shareholders of the Applicant/Amalgamated Company convened as per the directions of the National Company Law Tribunal, Chennai Bench is annexed hereto.
2. **PROXIES**
   i. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE BANK. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE BANK'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY FILLED, SIGNED AND STAMPED PROXY FORM WILL BE CONSIDERED VALID.
   ii. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Bank. A Member who is holding more than ten percent (10%) of the total share capital of the Bank may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder. A minor cannot be appointed as a Proxy. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, it shall be under its seal and be signed by an officer or an attorney duly authorised by it.
   iii. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged, during the business hours from 9:00 a.m. to 6:00 p.m. at the Registered Office, provided that not less than three days of notice in writing is given to the Bank.
3. The authorised representative of a body corporate which is a registered Equity Shareholder of the Applicant/Amalgamated Company may attend and vote at the Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting, is deposited at the Registered Office of the Applicant/Amalgamated Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is highest in the order of names will be entitled to vote.
5. The Notice convening the Meeting will be published through an advertisement in Hindu Business Line (All Editions in English) and translation thereof in Makkal Kural in Tamil language (Chennai Edition).

6. A Member or his/her Proxy or Authorised Representative is requested to bring the copy of this Notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.

7. Registered Equity Shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the Meeting.

8. The Notice is being sent to all Equity Shareholders, whose name appeared in the register of members as on **Friday, July 13, 2018**. This Notice of the Meeting of the Equity Shareholders of the Applicant/Amalgamated Company is also displayed/posted on the website of the Applicant/Amalgamated Company at www.idfcbank.com and on the website of Karvy at https://evoting.karvy.com.

9. Foreign Portfolio Investors or Foreign Institutional Investors, if any, who are registered equity shareholders of the Bank would be required to deposit certified copies of Custodial Resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the Meeting on its behalf. These documents must be deposited at the Registered Office of the Bank not later than 48 hours before the Meeting.

10. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (including any statutory modification(s), clarifications, exemptions or re-enactments thereof), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') and Secretarial Standards on General Meetings ('**SS-2**') and Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('**SEBI circular**') the Bank is providing to its Members Remote e-voting facility through Karvy. Please note that Remote e-voting is optional. Please refer the instructions for Remote e-voting at the end of these Notes. The instructions explain the process and manner for generating the password, and for casting vote(s) in a secure manner.

11. Also, the Bank is offering facility for voting through Postal Ballot Form. A Postal Ballot Form along with self-addressed postage pre-paid Business Reply Envelope is enclosed. Members are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed with assent (for) or dissent (against), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before **Sunday, September 02, 2018** by **5:00 p.m.** Members who have received the Notice by e-mail and who wish to vote through Postal Ballot can download the Postal Ballot Form from the Bank's website www.idfcbank.com. In case a Member is desirous of obtaining a printed duplicate Postal Ballot Form, he or she may send an e-mail to mahendra.shah@idfcbank.com or Karvy on einward.ris@karvy.com. The Bank or Karvy shall forward the same along with self-addressed postage pre-paid Business Reply Envelope to the Member.

12. Also, the Bank is offering facility for voting by way of ballot papers at the Meeting for the Members attending the Meeting who have not cast their vote by Remote e-voting/Postal Ballot.

13. Members can opt only for one mode of voting out of the aforementioned modes viz. Postal Ballot, Remote e-voting or ballot paper at the Meeting. If a Member has opted for Remote e-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case Members cast their vote both through Postal Ballot and Remote e-voting, then voting through Remote e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.

14. It is clarified that, casting of votes by Postal Ballot or Remote e-voting does not disentitle any Member from attending the Meeting. Member after exercising his/her right to vote through Postal Ballot or Remote e-voting shall not be allowed to vote again at the Meeting.

15. Voting rights shall be reckoned on the paid up value of the equity shares registered in the name of Members as on the cut-off date i.e. **Friday, July 13, 2018**.

16. The voting period for Postal Ballot and Remote e-voting shall commence on and from **Saturday, August 04, 2018** at **9:00 a.m.** and end on **Sunday, September 02, 2018** at **5:00 p.m.**

17. No other form or photocopy of the Postal Ballot Form is permitted.

18. Once the vote on a resolution is cast by a Member through Remote e-voting, the vote shall not be allowed to be changed subsequently.

19. As per the Order of the Hon'ble NCLT, Mr. B Narasimhan, Practising Company Secretary of M/s BN & Associates, Company Secretaries is appointed as the Scrutinizer to scrutinize the votes cast either electronically or through Postal Ballot or through ballot paper at the Meeting and submit the report to the Chairperson of the Meeting within 48 hours from the conclusion of the Meeting.

20. The Scrutinizer will submit his combined report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Equity Shareholders of the Applicant/Amalgamated Company through Remote e-voting or Postal Ballot or ballot paper at the venue of the Meeting. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results will be announced on or before **Wednesday, September 05, 2018**. The results, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Applicant/Amalgamated Company and on the website of the Applicant/Amalgamated Company i.e. www.idfcbank.com and on the website of Karvy i.e. https://evoting.karvy.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

21. The resolution will be deemed to have been passed on the Meeting date, subject to receipt of the requisite number of votes cast in favour of the resolution.

22. All the documents referred to in the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Bank between 9:00 a.m. to 6:00 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.

23. In accordance with the provisions of Section 230 read with Section 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority of persons representing three-fourth in value of the Equity Shareholders of the Applicant/Amalgamated Company, voting by way of Postal Ballot, Remote e-voting and voting by way of ballot paper at the Meeting, agree to the Scheme.

INSTRUCTIONS FOR REMOTE E-VOTING:

The instructions and other information relating to Remote e-voting are as under:

1.A. In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Bank / Depository Participant(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com

ii. Enter the login credentials (i.e. **User ID** and **Password** provided in the email). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail id, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN". Please select EVEN of IDFC Bank Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat accounts.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast.

xi. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: idfcbank.evoting2018@karvy.com with a copy marked to bank.info@idfcbank.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN" The documents should reach the Scrutinizer **on or before Sunday, September 02, 2018 at 5:00 p.m.** at Karvy Computershare Private Limited [Unit: IDFC Bank Limited], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.

B. In case of Members receiving physical copy of the Meeting Notice by Courier [for Members whose email IDs are not registered with the Bank / Depository Participant(s)]:

i. **EVEN, User ID** and **initial Password** are provided in the loose leaf Postal Ballot Form attached with this Notice.

ii. Please follow all steps from Sr. No. (i) to (xi) as mentioned in (A) above, to cast your vote.

2. In case of any query / grievance pertaining to Remote e-voting, please visit Help & FAQ's section of https://evoting.karvy.com (Karvy's website) or contact Mr. M R V Subrahmanyam at Karvy Computershare Private Limited [Unit: IDFC Bank Limited], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Contact No.: +91 40 67161500, +91 40 33211000 and Toll Free No.: 1800 345 4001.

3. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Bank, as on the cut-off date i.e. **Friday, July 13, 2018**.

4. The Board of Directors has appointed Mr. B. Narasimhan, Practising Company Secretary of M/s BN & Associates, Company Secretaries as the Scrutinizer to scrutinize the Remote e-voting process in a fair and transparent manner.

5. The Members who are entitled to vote but have not exercised their right to vote through Remote e-voting, may vote through Postal Ballot or alternatively can attend and vote at the Meeting through ballot paper for business specified in the accompanying Notice.

Before the National Company Law Tribunal, Chennai Bench
COMPANY SCHEME APPLICATION NO. 132 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3), SECTION 232(2) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT/AMALGAMATED COMPANY

1. Pursuant to the Order dated July 19, 2018, passed by the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**'), in the Company Scheme Application No. 132 of 2018 ('**Order**'), a Meeting of the Equity Shareholders of the Applicant/Amalgamated Company is being convened on **Monday, September 03, 2018**, at **2:00 p.m.** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India, for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited ('**Amalgamating Company 1**') and Capital First Home Finance Limited ('**Amalgamating Company 2**') and Capital First Securities Limited ('**Amalgamating Company 3**') (hereinafter collectively referred to as the '**Amalgamating Companies**') with the Applicant/Amalgamated Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. This statement is being furnished as required under Sections 230(3), Section 232(2) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. BACKGROUND OF THE SCHEME

3.1 The Scheme provides for:

i. The voluntary amalgamation of the Amalgamating Company 1 with the Applicant/Amalgamated Company, pursuant to the provisions of the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016 ('**RBI Amalgamation Directions**'), in lieu whereof, equity shares of the Applicant/Amalgamated Company will be issued to the shareholders of the Amalgamating Company 1 as on the Record Date (as specified in the Scheme), in accordance with the Share Exchange Ratio (as mentioned below) duly determined in accordance with separate valuation reports and fairness opinions obtained by the Amalgamating Company 1 and the Applicant/Amalgamated Company as set out in the Scheme, and the dissolution of the Amalgamating Company 1 without winding-up, pursuant thereto ('**Part A Merger**'); and

ii. Subsequent to the occurrence of the Part A Merger above, the voluntary amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Applicant/Amalgamated Company, in lieu whereof, no consideration shall be payable, and the securities in Amalgamating Company 2 and Amalgamating Company 3 respectively, fully held by the Applicant/Amalgamated Company, pursuant to the Part A Merger, shall be cancelled or shall be deemed to be cancelled ('**Part B Merger**').

3.2 Since the Scheme is a Composite Scheme of Amalgamation, the Part A Merger and the Part B Merger shall occur almost simultaneously and on the effectiveness of the Scheme. Therefore, pursuant to the Amalgamation, the Applicant/ Amalgamated Company does not intend to acquire and/or operate the subsidiary companies of the Amalgamating Company 1 (viz. the Amalgamating Company 2 and Amalgamating Company 3) and they shall stand merged with the Applicant/Amalgamated Company upon completion of the Part A Merger and on the same day (Part A Merger and Part B Merger collectively be referred to as '**Amalgamation**').

3.3 The draft Scheme was placed before the Audit Committee of the Applicant/Amalgamated Company at its meeting held on January 13, 2018. In accordance with the provisions of the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('**SEBI circular**'), the Audit Committee of the Applicant/Amalgamated Company at its meeting held on January 13, 2018, recommended the Scheme to the Board of Directors of the Applicant/Amalgamated Company *inter alia* taking into account the following:

i. The draft Scheme between and amongst the Amalgamating Companies and the Applicant/Amalgamated Company;

ii. The draft Implementation Agreement to be entered into between the Amalgamating Company 1 and the Applicant/Amalgamated Company;

iii. The Legal and Financial Due Diligence reports provided by the legal (AZB & Partners) and financial advisors (Ernst & Young LLP) of the Applicant/Amalgamated Company;

iv. The Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Applicant/Amalgamated Company;

v. The Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited;

vi. Draft certificate issued by Deloitte Haskins & Sells, the Statutory Auditors of the Applicant/Amalgamated Company, confirming the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Companies Act, 2013, pursuant to paragraph I.A.5 of Annexure I of the SEBI Circular;

vii. Draft of the undertaking to be provided by the Applicant/Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraphs I.A.9 (a) and (b) of Annexure I of the SEBI Circular;

viii. Draft undertaking by Deloitte Haskins & Sells, the Statutory Auditors of the Applicant/Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraph I.A.9 (a) and (b) of Annexure I of the SEBI Circular.

3.4 Based on the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant/Amalgamated Company, at its meeting held on January 13, 2018, approved the Amalgamation.

3.5 Further, the Boards of the Amalgamating Companies, at their respective meetings held on January 13, 2018, have approved the Amalgamation after taking into consideration, *inter alia,* the Valuation Report submitted by the independent valuer, Walker Chandiok & Co. LLP, Chartered Accountants and Fairness Opinion issued by JM Financial Institutional Securities Limited to the Amalgamating Company 1.

3.6 **Share Exchange Ratio:** Upon the coming into effect of the Scheme:

i. In relation to the Part A Merger, equity shares of the Applicant/Amalgamated Company shall be issued to the shareholders of Amalgamating Company 1 (as on the Record Date) in the ratio of 139:10, i.e. 139 (One Hundred and Thirty Nine) fully paid-up equity shares of Applicant/Amalgamated Company of face value of ₹ 10 (Rupees Ten only) each shall be issued for every 10 (Ten) equity shares of face value of ₹ 10 (Rupees Ten only) each of the Amalgamating Company 1, each fully paid-up, as per the terms of the Scheme; and

ii. In relation to the Part B Merger, no consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Applicant/Amalgamated Company, and the securities held by the Applicant/Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively (pursuant to the Part A Merger), shall stand cancelled without any further act, application or deed.

4. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

4.1 IDFC BANK LIMITED (APPLICANT/AMALGAMATED COMPANY)

i. The Applicant/Amalgamated Company, CIN: L65110TN2014PLC097792 having PAN: AADCI6523Q is a public limited company which was incorporated on October 21, 2014 under the Companies Act, 2013, under the name and style "IDFC Bank Limited" with the Registrar of Companies, Chennai. The equity shares of the Applicant/Amalgamated Company are listed on the BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**').

ii. Contact Details of the Applicant/ Amalgamated Company:

Registered Office: KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031.

Phone No.: + 91 44 4564 4000 Fax No.: +91 44 4564 4022 Email: bank.info@idfcbank.com

iii. Objects Clause of the Applicant/Amalgamated Company

a. The main objects of the Applicant/Amalgamated Company as set out in its Memorandum of Association are briefly as under:-

1. "To carry on the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

2. To establish and carry on the business of banking in any part of India or outside India.

……."

b. Further, Object Clause 54 of the Memorandum of Association of the Applicant/Amalgamated Company authorizes arrangement with any other company.

iv. Nature of Business of the Applicant/Amalgamated Company

The Applicant/Amalgamated Company is in the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

The financial year of the Applicant/Amalgamated Company ends on March 31 every year.

v. The authorized, issued, subscribed and paid-up share capital of the Applicant/Amalgamated Company as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
5,000,000,000 equity shares of ₹ 10 each	₹ 50,000,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
3,404,107,072 equity shares of ₹ 10 each	₹ 34,041,070,720

Subsequent to June 30, 2018, the share capital of the Applicant/Amalgamated Company has increased on July 02, 2018 pursuant to exercise of stock options by employees and as on the date of this Notice the issued, subscribed and paid up share capital of the Applicant/Amalgamated Company is ₹ 34,041,114,220 consisting of 3,404,111,422 equity shares of ₹ 10 each.

4.2 CAPITAL FIRST LIMITED (AMALGAMATING COMPANY 1)

i. The Amalgamating Company 1, CIN: L29120MH2005PLC156795 having PAN: AACCK6863C is a public limited company which was incorporated on October 18, 2005 under the Companies Act, 1956 as "KB Infin Private Limited", with Registrar of Companies, Mumbai and on August 31, 2006, "KB Infin Private Limited" was renamed as "KB Infin Limited" upon conversion to Public Limited company. It was subsequently renamed as "Future Capital Holding Limited" on December 21, 2006. Subsequently on November 8, 2012 it was renamed as Capital First Limited. The equity shares of the Amalgamating Company 1 are listed on BSE and NSE.

ii. **Contact Details of the Amalgamating Company 1:**

Registered Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. During the last five years, the Registered Office of the Amalgamating Company 1 has changed once on November 21, 2016 from 15th Floor, Tower-2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra to One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

iv. Objects Clause of the Amalgamating Company 1

a. The main objects of the Amalgamating Company 1 as set out in its Memorandum of Association are briefly as under:-

"To carry on business of Investment/Finance Company in all its branches and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert or otherwise deal in any shares, stocks, Debentures, Debenture stock, bonds, negotiable instruments, hedge instruments, warrants, certificates, premium notes, Treasury Bills, obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, options futures, money market securities, marketable or non-marketable, securities, derivatives, and other instruments and securities issued, guaranteed or given by

any government, semi-government, local authorities, public sector undertakings, companies, corporations, co-operative societies, trusts, funds, State, Dominion sovereign, Ruler, Commissioner, Public body or authority, Supreme, Municipal, Local or otherwise and other organisations/entities persons and to acquire and hold controlling and other interests in the securities or loan capital of any issuer company or companies.

1A) To carry on the business of merchant banking, investment banking, underwriting, portfolio management services, investment advisory services, financial planning and advisory services including tax planning and advisory, estate planning and setting of trust(s) for the same, financial consultancy, broking and sub broking for securities, commodities and currencies, asset management, venture capital fund, private equity fund, custodial services, factoring, real estate broking including planning and advisory activities, acting as an intermediary and advisors for purchase and sale of Artwork, credit reference agencies, referral arrangement(s), credit rating agencies, housing finance, foreign exchange broking, credit cards, money changing business, micro credit and rural credit in accordance with and to the extent permissible under the applicable regulations in respect of each of the above activities in India or elsewhere and to provide and to engage in all businesses as may be related or ancillary to the aforesaid business areas.

1B) To carry on the business of providing financial, investment advisory services, management and facilitation services, including but not limited to identifying investment opportunities, conducting analysis and assessment, providing investment recommendations and consultancy service for making available infrastructure (including but not limited to administrative, managerial, logistical, financial, communication and information technology facilities/services) to venture capital funds, including the trustees, beneficiaries and contributories or such funds, other funds (including but not limited to funds for providing debt financing investing in equity, equity linked securities and all other instruments as permitted under applicable laws), trusts, investment companies, joint ventures, corporate, institutional, group and individual investors.

1H) To carry on the business of a loan and finance company and to lend and advance money or give credit to such persons or companies and on such terms as it may seem expedient and in particular against the security of gold, bullion, vehicles, property whether moveable or immovable or any other asset, right, title, interest etc. for the purchase of gold, bullion, consumer durable products, paintings, sculptures or any other item or thing having artistic or aesthetic value or for any other purpose as the Company may deem fit and to guarantee the performance of any contract or obligation and the payment of money to any such person or companies and generally to give guarantee and indemnities.

……."

b. Further, Object Clause 5 of the Memorandum of Association of the Amalgamating Company 1 authorizes arrangement with any other company.

v. Nature of Business of Amalgamating Company 1

The Amalgamating Company 1 is engaged in the business of a systemically important non-banking financial company (non-deposit taking) under Section 45-I of the Reserve Bank of India Act. The Amalgamating Company 1 is engaged in lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.

The financial year of the Amalgamating Company 1 ends on March 31 every year.

vi. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
113,000,000 equity shares of ₹ 10 each	₹ 1,130,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
99,023,394 equity shares of ₹ 10 each	₹ 990,233,940

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 1 upto the date of this Notice.

4.3 CAPITAL FIRST HOME FINANCE LIMITED (AMALGAMATING COMPANY 2)

i. The Amalgamating Company 2, CIN: U65192MH2010PLC211307 having PAN: AABCF6552G is a public limited company which was incorporated on December 23, 2010 under the Companies Act, 1956 as "Future Capital Home Finance Private Limited", with Registrar of Companies, Mumbai and on January 03, 2013, "Future Capital Home Finance Private Limited" was renamed as "Capital First Home Finance Private Limited" and subsequently on December 05, 2015 it was renamed as "Capital First Home Finance Limited".

ii. Contact Details of the Amalgamating Company 2:

Registered Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. During the last five years, the Registered Office of the Amalgamating Company 2 has changed once on November 21, 2016 from 15th Floor, Tower-2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra to One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

iv. Objects Clause of the Amalgamating Company 2

a. The main objects of the Amalgamating Company 2 as set out in its Memorandum of Association are briefly as under:-

"1. To carry on the business of providing long term finance to any person or persons, company or corporation, society or association and, enabling such borrower to construct or purchase a house, flat or plot, for residential purpose and for improvement of present property and against existing property upon such security and such terms and conditions as the company may deem fit and to also provide long term finance to persons engaged in the business of construction of houses or flats for residential purpose to be sold by them by way of lease or on deferred payment or other similar basis upon such terms and conditions as the Company may think fit and proper.

1A. To carry on the business of Corporate Insurance Agents for the General Insurance Companies and/ or Life Insurance Companies owned by the Central Government or State Governments or Government Corporations or Private Insurance Companies including Foreign Companies, by soliciting and procuring all or any type of Insurance Policies for commission or on income sharing basis or on a fixed income basis.

1B. To engage in promoting, selling and distributing third party financial/ health or similar kind of commission/ brokerage/ fee based products.

……."

b. Further, Object Clause 32 of the Memorandum of Association of the Amalgamating Company 2 authorizes arrangement with any other company.

v. Nature of Business of the Amalgamating Company 2

The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.

The financial year of the Amalgamating Company 2 ends on March 31 every year.

vi. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
150,000,000 equity shares of ₹10 each	₹ 1,500,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
137,733,079 equity shares of ₹10 each	₹ 1,377,330,790

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 2 upto the date of this Notice

4.4 CAPITAL FIRST SECURITIES LIMITED (AMALGAMATING COMPANY 3)

i. The Amalgamating Company 3, CIN: U66010MH2007PLC169687 having PAN: AADCC0518P is a public limited company which was incorporated on April 05, 2007 under the Companies Act, 1956 as "Centrum Insurance Broking Private Limited", with Registrar of Companies, Mumbai. On October 22, 2007, "Centrum Insurance Broking Private Limited" was renamed as "Centrum Insurance Broking Limited". Subsequently on March 04, 2008, the name was changed to "Centrum Wealth Managers Limited". Subsequently on May 07, 2008, the name was changed to "FCH Centrum Wealth Managers Limited". On June 21, 2011, the name was changed to "Future Capital Securities Limited". On January 10, 2013, the name was changed to its current name "Capital First Securities Limited".

ii. Contact Details of the Amalgamating Company 3:

Registered Office: Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400 093.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. Objects Clause of the Amalgamating Company 3

a. The main objects of the Amalgamating Company 3 as set out in its Memorandum of Association are briefly as under:

"1. To do the business of wealth Manager by distribution of Mutual fund and other products and to buy, sell, transfer, hypothecate, deal in and dispose off any shares, share stocks, securities, property, bonds, any Government local authority bonds and certificates, securities, debentures, whether perpetual or redeemable debenture stock and to carry on business of share stock brokers, and or sub brokers.

2. To apply for and become a member of any recognized stock exchange in India and carry on business only as a corporate member of the exchange and shall not during such continuance as a member do or engage any other business which is not conducive to the business of share and share broking and other allied financial services.

……."

b. Further, Object Clause 19 of the Memorandum of Association of the Amalgamating Company 3 authorizes arrangement with any other company.

iv. Nature of Business

The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication.

The financial year of the Amalgamating Company 3 ends on March 31 every year.

v. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 3 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
62,000,000 equity shares of ₹10 each	₹ 620,000,000
3,800,000 preference shares of ₹100 each	₹ 380,000,000
Total	₹ **1,000,000,000**
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
55,355,600 equity shares of ₹10 each	₹ 553,556,000
1,200,000 preference shares of ₹100 each	₹120,000,000
Total	**₹673,556,000**

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 3 upto the date of this Notice

5. RELATIONSHIP BETWEEN THE AMALGAMATING COMPANIES AND THE APPLICANT/AMALGAMATED COMPANY:

IDFC Financial Holding Company Limited is the Promoter of the Applicant/Amalgamated Company and as on June 30, 2018, held 54.30% equity stake in the Applicant/Amalgamated Company.

Dayside Investment Limited and Cloverdell Investment Limited are the promoters of Amalgamating Company 1, holding 1.26% and 34.27% equity stake, respectively in the Amalgamating Company 1, as on June 30, 2018.

Amalgamating Company 2 and Amalgamating Company 3 are the Wholly Owned Subsidiaries of Amalgamating Company 1.

Amalgamating Company 3 is the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ('**CFCL**') and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date and consequently, CFCL is not a part of the Amalgamation.

The Applicant/Amalgamated Company has an outstanding investment of ₹ 105 crore in the Non-Convertible Debentures issued by Amalgamating Company 1.

However, there are only 4 parties to the Scheme, namely, the Applicant/Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3.

Except the above, there is no other relationship between the Amalgamating Companies and the Applicant/Amalgamated Company.

6. RATIONALE OF THE SCHEME:

The proposed Scheme of Amalgamation providing for Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:

i. That the Scheme is founded on leveraging of the significant complementarities that exist between the Applicant/ Amalgamating Company 1, Applicant/ Amalgamating Company 2 and Applicant/ Amalgamating Company 3 and the Applicant/Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.

ii. That the Applicant/Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Applicant/ Amalgamated Company pursuant to the Amalgamation;

iii. That the Applicant/Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Applicant/Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Applicant/Amalgamated Company

iv. That the Applicant/Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1, the Amalgamating Company 2 and the Applicant/Amalgamated Company will stand merged into the Applicant/Amalgamated Company pursuant to the Amalgamation;

v. That the Applicant/Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Applicant/Amalgamated Company;

vi. That the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Applicant/Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book. While this is as per the information contained in the Scheme, it may be noted that as on March 31, 2018, the number is 3,365,005 live customers and 6,082,970 cumulative customers;

vii. That the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Applicant/Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

viii. That in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Applicant/Amalgamated Company will benefit from such infrastructure;

ix. That the Applicant/Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Applicant/Amalgamated Company;

x. That the Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, had assets under management of approximately ₹ 13,299,000,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Applicant/Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients. While this is as per the information contained in the Scheme and as on September 30, 2017, it may be noted that as on March 31, 2018, the assets under management are approximately ₹ 20,784,268,832 (Rupees Two Thousand and Seventy Eight Crores Forty Two Lakhs Sixty Eight Thousand Eight Hundred and Thirty Two);

xi. That the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is currently only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Applicant/Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

xii. That the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Applicant/ Amalgamated Company.

7. SALIENT FEATURES OF THE SCHEME:

7.1 Appointed date: The appointed date of the Scheme is the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Applicant/Amalgamated Company and is the date with effect from which the Scheme shall be operative.

7.2 Effective date: Effective date means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme.

7.3 Amalgamation of Amalgamating Companies with Applicant/Amalgamated Company: The Scheme envisages that upon the coming into effect of the Scheme on the 'Effective Date' (being such date as the Amalgamating Companies and the Applicant/Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme), the Part A Merger and the Part B Merger will occur pursuant to which the entire undertaking of each of the Amalgamating Companies, including all of their respective assets and liabilities, shall stand transferred to, and/ or deemed to be transferred to, and vested in the Applicant/Amalgamated Company from the Appointed Date.

7.4 Share Exchange Ratio: Upon the coming into effect of the Scheme:

i. In relation to the Part A Merger, equity shares of the Applicant/Amalgamated Company shall be issued to the shareholders of Amalgamating Company 1 (as on the Record Date) in the ratio of 139:10, i.e. 139 (One Hundred and Thirty Nine) fully paid-up equity shares of Applicant/Amalgamated Company of face value of ₹ 10 (Rupees Ten only) each shall be issued for every 10 (Ten) equity shares of face value of ₹ 10 (Rupees Ten only) each of the Amalgamating Company 1, each fully paid-up, as per the terms of the Scheme; and

ii. In relation to the Part B Merger, no consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Applicant/Amalgamated Company, and the securities held by the Applicant/Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively (pursuant to the Part A Merger), shall stand cancelled without any further act, application or deed.

7.5 The Share Exchange Ratio has been arrived at by an independent valuer, namely, S. R. Batliboi & Co. LLP, appointed by the Applicant/Amalgamated Company. The valuation report prepared by the independent valuer, S. R. Batliboi & Co. LLP, was submitted to the Audit Committee and Board of the Applicant/Amalgamated Company.

7.6 The Share Exchange Ratio has been approved by the Board of Applicant/Amalgamated Company as being fair after considering the: (i) independent valuation by the independent valuer viz. S. R. Batliboi & Co. LLP; and (ii) fairness opinion prepared by Kotak Mahindra Capital Company Limited for the Applicant/Amalgamated Company.

7.7 Employees: Upon the coming into effect of the Scheme and as a result of the Amalgamation, all employees of each of the Amalgamating Companies shall become employees of the Applicant/Amalgamated Company, subject to provisions of the Scheme, without any break or interruption in their service and on the basis of continuity of service on terms no less favourable than those on which they are engaged by the Amalgamating Companies.

7.8 Stock Options: Upon the coming into effect of the Scheme and as a result of the Amalgamation, stock options will be granted by the Applicant/Amalgamated Company to all eligible employees of the Amalgamating Companies in lieu of stock options of the Amalgamating Company 1 held by such employees, upon their transfer to the Applicant/Amalgamated Company, as applicable, pursuant to the Scheme.

7.9 Accounting Treatment: Upon the Scheme becoming effective, the Applicant/Amalgamated Company shall give effect to the accounting treatment in relation to the Amalgamation in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirements under the Companies Act, 2013 as may be applicable.

7.10 Until the effectiveness of the Scheme, the Applicant/Amalgamated Company and each of the Amalgamating Companies shall carry on their businesses in the ordinary course, consistent with past practice and in accordance with applicable law.

8. CAPITAL STRUCTURE (PRE AND POST AMALGAMATION):

8.1 Amalgamating Company 1

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company 1 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
113,000,000 equity shares of ₹ 10 each	₹ 1,130,000,000	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
99,023,394 equity shares of ₹ 10 each	₹ 990,233,940	-	-

8.2 Amalgamating Company 2

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company 2 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
150,000,000 equity shares of ₹10 each	₹ 1,500,000,000	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
137,733,079 equity shares of ₹10 each	₹ 1,377,330,790	-	-

8.3 Amalgamating Company 3

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company 3 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
62,000,000 equity shares of ₹10 each	₹ 620,000,000	-	-
3,800,000 preference shares of ₹100 each	₹ 380,000,000	-	-
Total	**₹ 1,000,000,000**	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
55,355,600 equity shares of ₹10 each	₹ 553,556,000	-	-
1,200,000 preference shares of ₹100 each	₹120,000,000	-	-
Total	**₹ 673,556,000**	-	-

8.4 Applicant/Amalgamated Company

The Pre Amalgamation and Post Amalgamation (Tentative) Capital Structure of the Applicant/Amalgamated Company, based on June 30, 2018 Capital Structures of Applicant/Amalgamated Company and Amalgamating Companies is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
5,000,000,000 equity shares of ₹ 10 each	₹ 50,000,000,000	5,325,000,000 equity shares of ₹ 10 each	₹ 53,250,000,000
-	-	3,800,000 preference shares of ₹ 100 each	₹ 380,000,000
Total	**₹ 50,000,000,000**	**Total**	**₹ 53,630,000,000**
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
3,404,107,072 equity shares of ₹ 10 each	₹ 34,041,070,720	4,780,532,249 equity shares of ₹ 10 each	₹ 47,805,322,490

9. PRE AND POST SHAREHOLDING PATTERN:

(Based on June 30, 2018 Shareholding Patterns of Applicant/Amalgamated Company and Amalgamating Company 1)

Sr. No.	Category & Name of the Shareholder	Pre-Amalgamation		Post-Amalgamation	
		No. of Shares	%	No. of Shares	%
(A)	PROMOTER SHAREHOLDING				
(1)	Indian	-	-	-	-
(a)	Individuals/Hindu undivided Family	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-
(d)	Any Other				
	IDFC FINANCIAL HOLDING COMPANY LIMITED	1,848,512,668	54.30	1,848,512,668	38.67
	Sub-Total (A)(1)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other	-	-	-	-
	Sub-Total (A)(2)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
(B)	**PUBLIC SHAREHOLDING**				
(1)	Institutions				
(a)	Mutual Funds	105,289,566	3.09	265,535,077	5.55
	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Mnc Fund	-	-	68,445,310	1.43
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	349,689,293	10.27	636,112,568	13.31
	Government of Singapore	-	-	121,875,005	2.55
	Platinum International Fund	49,475,422	1.45	49,475,422	1.03
	Dayside Investment Limited	-	-	17,346,602	0.36
(f)	Financial Institutions/Banks	22,379,088	0.66	30,365,861	0.64
(g)	Insurance Companies	47,079,442	1.38	54,180,396	1.13
(h)	Provident Funds/Pension Funds	-	-	-	-
(i)	Any Other				
	FOREIGN CORPORATE BODIES	4,601,271	0.14	476,334,537	9.96
	Cloverdell Investment Limited	-	-	471,733,266	9.87
	FOREIGN NATIONALS	12,201	0.00	12,201	0.00
	BODIES CORPORATES	107,051,902	3.14	107,051,902	2.24
	Sub Total (B)(1)	**636,102,763**	**18.69**	**1,569,592,542**	**32.83**
(2)	Central Government/State Government(s)/President of India	261,400,000	7.68	261,400,000	5.47
	PRESIDENT OF INDIA	261,400,000	7.68	261,400,000	5.47
	Sub Total (B)(2)	**261,400,000**	**7.68**	**261,400,000**	**5.47**
(3)	Non-Institutions				
(a)	i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	365,889,812	10.75	540,884,599	11.31
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	211,710,637	6.22	323,773,702	6.77
(b)	NBFCs Registered with RBI	1,722,318	0.05	1,885,629	0.04
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	-	-	-	-
(e)	Any Other				
	CLEARING MEMBERS	42,424,626	1.25	50,173,529	1.05
	NON RESIDENT INDIANS	21,438,856	0.63	39,136,433	0.82
	NON RESIDENT INDIAN NON REPATRIABLE	8,277,586	0.24	12,872,106	0.27
	TRUSTS	6,627,806	0.19	6,662,528	0.14

Sr. No.	Category & Name of the Shareholder	Pre-Amalgamation		Post-Amalgamation	
		No. of Shares	%	No. of Shares	%
	FOREIGN NATIONALS	-	-	13,441	0.00
	IEPF	-	-	411,051	0.01
	HINDU UNDIVIDED FAMILY	-	-	11,307,511	0.24
	FOREIGN COMPANIES	-	-	66,442,000	1.39
	Caladium Investment Pte Ltd	-	-	66,442,000	1.39
	Bodies Corporate	-	-	47,464,511	0.99
	Sub Total (B)(3)	**658,091,641**	**19.33**	**1,101,027,040**	**23.03**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**3,404,107,072**	**100.00**	**4,780,532,249**	**100.00**

Notes:

a. In compliance with the RBI Guidelines for licensing of new banks in the private sector on February 22, 2013, IDFC Financial Holding Company Limited will enhance it's shareholding such that upon the effectiveness of the Scheme it holds 40% of the paid up equity capital of the Applicant/Amalgamated Company.

b. As stipulated by the RBI, the Promoter Group of the Amalgamating Company 1 (i.e. Cloverdell and persons acting in concert) would reduce its equity shareholding such that, upon the effectiveness of the Scheme it holds below 10% of the paid up share capital in the Applicant/ Amalgamated Company and will be categorized as a Public Shareholder of the Applicant/Amalgamated Company.

10. AMOUNT DUE TO SECURED AND UNSECURED CREDITORS:

10.1 Applicant/Amalgamated Company

i. As on July 13, 2018, the amount due from Applicant/ Amalgamated Company to its secured creditors is ₹ 13,732.44 crore.

ii. As on July 13, 2018, the amount due from Applicant/ Amalgamated Company to its unsecured creditors is ₹ 56,084.34 crore.

10.2 Amalgamating Company 1

i. As on July 13, 2018, the amount due from the Amalgamating Company 1 to its secured creditors is ₹ 16,503.18 crore.

ii. As on July 13, 2018, the amount due from the Amalgamating Company 1 to its unsecured creditors is ₹ 4,887.50 crore.

10.3 Amalgamating Company 2

i. As on July 13, 2018, the amount due from the Amalgamating Company 2 to its secured creditors is ₹ 1,850.30 crore.

ii. As on July 13, 2018, the amount due from the Amalgamating Company 2 to its unsecured creditors is ₹ 360.08 crore.

10.4 Amalgamating Company 3

i. As on July 13, 2018, the amount due from the Amalgamating Company 3 to its secured creditors is NIL

ii. As on July 13, 2018, the amount due from the Amalgamating Company 3 to its unsecured creditors is ₹ 0.04 crore.

11. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

11.1 Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel ('**KMP**') and their respective relatives of the Amalgamating Companies and the Applicant/Amalgamated Company, may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant/Amalgamated Company and Amalgamating Company 1 or to the extent the said Directors/KMP are the partners, directors, members of the companies, firms, associations of persons, bodies corporates and/or beneficiary of trusts, that hold shares in the Applicant/Amalgamated Company and Amalgamating Company 1.

Save as aforesaid, none of the Directors or KMP of the Amalgamating Companies and the Applicant/Amalgamated Company have any material interest in the Scheme or are in any way connected or interested in the resolution proposed to be passed at the Meeting.

11.2 The details of the Directors and KMP of the Applicant/Amalgamated Company and their respective shareholdings in the Applicant/Amalgamated Company and the Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
00004168	Ms. Veena Mankar	Independent Non - Executive Chairperson	801, Park Heights, 10th Road, Near Madhu Park, Khar (West), Mumbai - 400 052.	-	-
00002593	Mr. Abhijit Sen	Independent Director	A92, Grand Paradi, 572, Dady Seth Hill, August Kranti Marg Mumbai - 400 036.	-	-
01657614	Mr. Ajay Sondhi	Independent Director	8 Cuscaden Walk, # 24-02, Singapore - 249692	-	-
00682433	Mr. Anand Sinha	Independent Director	Flat No.1103, Boulevard 2, The Address, LBS Marg, Opp. R City Mall, Ghatkopar (W), Mumbai - 400 086	-	-
07724555	Ms. Anindita Sinharay	Nominee Director - Government of India	K-3/1, Sector-13, R K Puram (Main), South West Delhi, Delhi - 110066	-	-
02395272	Mr. Rajan Anandan	Independent Director	Spring Leaf Apartment No. 3, Ground Floor, Brunton Cross Road, Bangalore - 560001	-	-
03055561	Mr. Sunil Kakar	Nominee Director - IDFC Limited	2603, Springs - 1, 26th Floor, Island City Centre, Dr. G. D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (E), Mumbai - 400 014	20,000 Equity Shares of ₹ 10 each	-
00131782	Dr. Rajiv B. Lall	Founder Managing Director & CEO	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	2,624,686 Equity Shares of ₹ 10 each	-
ABRPS7427F	Mr. Mahendra N. Shah	Group Company Secretary & Group Compliance Officer	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	100 Equity Shares of ₹ 10 each	-
AACPG6412A	Mr. Bipin Gemani	Chief Financial Officer	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	94,514 Equity Shares of ₹ 10 each	-

11.3 The details of the Directors and KMP of Amalgamating Company 1 and their respective shareholdings in the Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
00004916	Mr. Naresh Chand Singhal	Independent Director	D 107, Poornima, 23 Peddar Road, Mumbai - 400 026	1,000 Equity Shares of ₹ 10 each	-
00040769	Mr. Hemang Raja	Independent Director	Rashmi Apartments, Flat No. 4, D-Wing, 4th Floor, Carmichael Road, Mumbai - 400 026	-	-
06979864	Dr. (Mrs.) Brinda Jagirdar	Independent Director	1104, Eleven, Serenity Heights, A-wing, Mindspace, Off New Link Road, Malad (West), Mumbai - 400 064	-	-
00082596	Mr. V. Vaidyanathan	Chairman and Managing Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	*4,040,576 Equity Shares of ₹ 10 each
01035771	Mr. Vishal Mahadevia	Non-Executive Director	Warburg Pincus India Private Limited, 7th Floor, Express Towers, Nariman Point Mumbai - 400 021	-	-
00003252	Mr. Dinesh Kanabar	Independent Director	1101 & 1102, One Indiabulls Centre, Tower 2B, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013	-	-
06530414	Mr. Narendra Ostawal	Non-Executive Director	Warburg Pincus India Private Limited, 7th Floor, Express Towers, Nariman Point, Mumbai - 400 021	-	-
00169775	Mr. Swaminathan Sundararajan Mittur	Independent Director	Ashwarooda, Flat No-11, 2nd Floor, Building No-248, Ambujammal Street, TTK Salai, Alwarpet, Chennai, Tamil Nadu - 600 018	-	-
01738973	Mr. Apul Nayyar	Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	740,000 Equity Shares of Rs. 10 each
03288923	Mr. Nihal Desai	Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	200 Equity Shares of ₹ 10 each	75,000 Equity Shares of ₹ 10 each
AGHPG7454K	Mr. Satish Gaikwad	Head - Legal, Compliance & Company Secretary	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	601 Equity Shares of ₹ 10 each	8,490 Equity Shares of Rs. 10 each
AAEPS5721Q	Mr. Pankaj Sanklecha	Chief Financial Officer & Head - Corporate Centre	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	348,255 Equity Shares of Rs. 10 each

* This does not include donation by Mr. Vaidyanathan of 5 lakh equity shares of Amalgamating Company 1 to Rukmani Social Welfare Trust, for social cause/charitable purpose.

11.4 The details of the Directors and KMP of Amalgamating Company 2 and their respective shareholdings in Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
00082596	Mr. V. Vaidyanathan	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	*4,040,576 Equity Shares of Rs. 10 each
01738973	Mr. Apul Nayyar	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	740,000 Equity Shares of Rs. 10 each
03288923	Mr. Nihal Desai	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	200 Equity Shares of ₹ 10 each	75,000 Equity Shares of Rs. 10 each
00169775	Mr. Swaminathan Sundararajan Mittur	Non Executive & Independent Director	Ashwarooda, Flat No. 11, 2nd Floor, Building No-248, Ambujammal Street, TTK Salai, Alwarpet, Chennai, Tamil Nadu - 600 018	-	-
06979864	Dr. (Mrs). Brinda Jagirdar	Non Executive & Independent Director	1104, Eleven, Serenity Heights, A-wing, Mindspace, Off New Link Road, Malad (West), Mumbai - 400 064	-	-
AHIPG4353M	Mr. Bhavik Gala	Company Secretary	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	5 Equity Shares of Rs. 10 each
AEZPD3019H	Mr. Daryl William Dsouza	Chief Executive Officer	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	7,800 Equity Shares of Rs. 10 each
AIYPK3203F	Mr. Deepak Bhupendra Kundalia	Chief Financial Officer	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	1,001 Equity Shares of Rs. 10 each

* This does not include donation by Mr. Vaidyanathan of 5 lakh equity shares of Amalgamating Company 1 to Rukmani Social Welfare Trust, for social cause/charitable purpose.

11.5 The details of the Directors and KMP of Amalgamating Company 3 and their respective shareholdings in Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
07019167	Mr. Anand Rai Jayprakash	Managing Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	2 Equity Shares of Rs. 10 each
00320507	Mr. Kailasam Raghuraman	Non Executive & Independent Director	No. 39, Amaravathy Nagar, Arumbakkam S.O., Chennai - 600 106	-	-

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
06527313	Mr. Gourav Mardia	Non Executive & Independent Director	D - 504, Raheja Heights, General A K Vaidya Marg, Malad (E), Mumbai - 400097, Maharashtra, India	-	-

11.6 The details of the Directors of the Applicant/Amalgamated Company who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Applicant/Amalgamated Company held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Ms. Veena Mankar	Voted in favour
2.	Mr. Abhijit Sen	Voted in favour
3.	Mr. Ajay Sondhi	Voted in favour
4.	Mr. Anand Sinha	Voted in favour
5.	Ms. Anindita Sinharay	Did not participate (Leave of Absence)
6.	Mr. Rajan Anandan	Voted in favour
7.	Mr. Sunil Kakar	Voted in favour
8.	Dr. Rajiv B. Lall	Voted in favour

11.7 The details of the Directors of the Amalgamating Company 1 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 1 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. V. Vaidyanathan	Voted in favour
2.	Mr. Naresh Chand Singhal	Voted in favour
3.	Mr. Hemang Raja	Voted in favour
4.	Dr. (Mrs.) Brinda Jagirdar	Voted in favour
5.	Mr. Swaminathan Sundararajan Mittur	Voted in favour
6.	Mr. Dinesh Kanabar	Voted in favour
7.	Mr. Vishal Mahadevia	Voted in favour
8.	Mr. Narendra Ostawal	Voted in favour
9.	Mr. Apul Nayyar	Voted in favour
10.	Mr. Nihal Desai	Voted in favour

11.8 The details of the Directors of the Amalgamating Company 2 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 2 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. V. Vaidyanathan	Voted in favour
2.	Dr. (Mrs.) Brinda Jagirdar	Voted in favour
3.	Mr. Swaminathan Sundararajan Mittur	Voted in favour
4.	Mr. Apul Nayyar	Voted in favour
5.	Mr. Nihal Desai	Voted in favour

11.9 The details of the Directors of the Amalgamating Company 3 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 3 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. Anand Rai Jayprakash	Voted in favour
2.	Mr. Kailasam Raghuraman	Voted in favour
3.	Mr. Gourav Mardia	Did not participate (Leave of Absence)

11.10 Details of the Promoter/Promoter Group of Applicant/Amalgamated Company as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
IDFC Financial Holding Company Limited (Holding Company)	KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031, India	54.30
IDFC Limited (Ultimate Holding Company)	KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031, India	54.30 (Indirectly)

11.11 Details of the Promoter/Promoter Group of Amalgamating Company 1 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Cloverdell Investment Limited	C/o Warburg Pincus Asia Ltd., 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius	34.27
Dayside Investment Limited	C/o Warburg Pincus Asia Ltd., 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius	1.26

11.12 Details of the Promoter/Promoter Group of Amalgamating Company 2 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Capital First Limited	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	100

11.13 Details of the Promoter/Promoter Group of Amalgamating Company 3 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Capital First Limited	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	100

12. PROPOSED BOARD COMPOSITION OF APPLICANT/AMALGAMATED COMPANY:

Upon the effectiveness of the Scheme, the Applicant/Amalgamated Company's Board shall be reconstituted to provide for 12 (Twelve) Directors as follows:

i. Dr. Rajiv B. Lall shall be appointed as the Non-Executive Chairperson of the Applicant/Amalgamated Company;

ii. Mr. V. Vaidyanathan shall be appointed as the Managing Director and Chief Executive Officer of the Applicant/Amalgamated Company;

iii. The Applicant/Amalgamated Company Board and the Amalgamating Company 1 Board shall be equally represented on the reconstituted Applicant/Amalgamated Company Board;

iv. The reconstituted Applicant/Amalgamated Company Board shall have atleast 7 (Seven) independent directors.

13. STATUS OF APPROVALS:

13.1 As on the date of this Notice, the following approvals pertaining to the Amalgamation have been received:

i. The National Housing Bank has, via its letter dated February 16, 2018, given its no objection to the proposed Amalgamation,

ii. The NSE and BSE have, via their communications dated March 26, 2018 and March 14, 2018 respectively, conveyed their prior approval for the Amalgamation with respect to the Applicant/Amalgamated Company's Trading membership in the Currency Derivative Segment of NSE and BSE.

iii. The Competition Commission of India has, via its letter dated March 07, 2018, approved the proposed Amalgamation.

iv. The NSE and BSE have, via their communications both dated May 25, 2018, conveyed their no-objection to the filing of the Scheme before the Hon'ble NCLT.

v. The RBI has, via its letter dated June 04, 2018, granted its no-objection to the Amalgamation, subject to compliance with certain terms and conditions specified therein.

13.2 Further, the effectiveness of the Scheme is conditional upon the receipt of approval from the RBI in accordance with the terms of the RBI Amalgamation Directions. Additionally, the other approvals and conditions upon which the Scheme is contingent and which are currently pending, include, *inter alia*:

i. the Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Applicant/Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant National Company Law Tribunals;

ii. the Scheme having been approved by the relevant National Company Law Tribunals and the Amalgamating Companies and the Applicant/Amalgamated Company having received a certified true copy of the order of the National Company Law Tribunals approving the Scheme; and

iii. certified copies of the order of the National Company Law Tribunals approving the Scheme being filed with the Registrar of Companies.

13.3 The Amalgamating Companies have filed a joint application with the National Company Law Tribunal, Mumbai Bench on July 16, 2018, seeking its directions for convening meetings of the shareholders and creditors, as may be applicable. The order of the Tribunal in this regard, is awaited.

14. GENERAL:

14.1 The Scheme is not expected to have any adverse effects on the material interests of KMP, Directors, Promoters, Non-promoters members, Depositors, Creditors, Debenture holders, Debenture Trustee and Employees of the Amalgamating Companies and the Applicant/Amalgamated Company, wherever relevant.

14.2 The rights and interest of secured creditors and unsecured creditors of either of the companies, if any, will not be prejudicially affected by the Scheme, as no sacrifice or waiver, at all called from them, nor their rights are sought to be modified in any manner and post the Scheme, the Applicant/Amalgamated Company will be able to meet their liabilities.

14.3 The latest audited accounts for the year ended March 31, 2018 of the Applicant/Amalgamated Company indicate that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured creditor or unsecured creditor of the Applicant/Amalgamated Company would lose or be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is called for from them nor are their rights sought to be adversely modified in any manner.

Hence, the Amalgamation will not cast any additional burden on the shareholders or the creditors nor will it adversely affect the interest of any shareholders or creditors

14.4 As on the date of this Notice, no winding up proceedings are pending against the Applicant/Amalgamated Company and the Amalgamating Companies.

14.5 No investigation or proceedings are pending under the provisions of the Companies Act, 2013 in respect of the Applicant/ Amalgamated Company and the Amalgamating Companies.

14.6 The Applicant/Amalgamated Company and the Amalgamating Companies are required to seek approval/sanction/ no-objection from certain regulatory and governmental authorities for the Scheme such as Registrar of Companies, Regional Director and Income Tax Authority and will obtain the same at the relevant time.

14.7 Copy of the draft Scheme would be filed with the Registrar of Companies, Chennai, within the prescribed time.

14.8 A report adopted by the Directors of the Applicant/Amalgamated Company explaining effect of the Scheme on each class of Shareholders, KMP, Promoter and Non-promoter shareholders laying out in particular the share exchange ratio, is attached herewith.

14.9 Detailed Accounts of Applicant/Amalgamated Company and Amalgamating Companies:

Detailed audited accounts of the Applicant/Amalgamated Company for the year ended March 31, 2018, forming part of the Annual Report FY18, can be referred to on its official website at:

https://www.idfcbank.com/content/dam/IDFC/FY18/IDFC-Bank-Limited-Fourth-Annual-Report-2017-18.pdf

Detailed audited accounts of the Amalgamating Company 1 for the year ended March 31, 2018, forming part of the Annual Report FY18, can be referred to on its official website at:

https://www.capitalfirst.com/pdfs/Capital_First_AR_2017-18_with_notice.pdf

Detailed accounts of the Amalgamating Company 2 and Amalgamating Company 3 for the year ended March 31, 2018 can be referred to at:

https://www.capitalfirst.com/investor/financial-info

14.10 The following documents shall be available for obtaining extract from or for obtaining copies of or for inspection by the Equity Shareholders of the Applicant/Amalgamated Company at its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031 between 9:00 am to 6:00 pm on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting:

i. Copy of the Order dated July 19, 2018 passed by the Hon'ble NCLT in Company Scheme Application No. 132 of 2018, of the Applicant/Amalgamated Company;

ii. Copy of the Composite Scheme of Amalgamation;

iii. Copy of the Audit Committee Report dated January 13, 2018 of the Applicant/Amalgamated Company and Amalgamating Company 1;

iv. Copy of the Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Applicant/Amalgamated Company;

v. Copy of the Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited to the Applicant/Amalgamated Company;

vi. Copy of the Valuation Report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, Chartered Accountants, independent valuer appointed by the Amalgamating Company 1;

vii. Copy of the Fairness Opinion dated January 13, 2018 issued by JM Financial Institutional Securities Limited to Amalgamating Company 1;

viii. Copy of the resolutions dated January 13, 2018 passed by the respective Board of Directors of the Applicant/ Amalgamated Company and the Amalgamating Companies, approving the Scheme;

ix. Copy of the Reports adopted by the Board of Directors of the Applicant/Amalgamated Company and Amalgamating Companies pursuant to the provisions Section 232 (2)(c) of the Companies Act 2013.

x. Copy of statutory auditors' certificates to the Applicant/Amalgamated Company and the Amalgamating Company 1, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

xi. Copy of Complaints reports submitted by the Applicant/Amalgamated Company and the Amalgamating Company 1 to BSE and NSE;

xii. Copy of No adverse observation/No-objection letters issued by BSE and NSE, to the Applicant/Amalgamated Company and the Amalgamating Company 1;

xiii. Abridged prospectus as provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations including applicable information pertaining to Amalgamating Company 2 and Amalgamating Company 3;

xiv. Copy of the Memorandum and Articles of Association of the Applicant/Amalgamated Company and the Amalgamating Companies;

xv. Copy of the Annual Reports of the Applicant/Amalgamated Company and the Amalgamating Companies for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

xvi. Copy of the Audited Financial Statements (Standalone and Consolidated, as may be applicable) of the Applicant/ Amalgamated Company and the Amalgamating Companies for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

Sd/-
Veena Mankar
Chairperson appointed for the Meeting

Dated this 20th day of July, 2018

Registered Office:
KRM Towers, 7th Floor,
No. 1 Harrington Road,
Chetpet, Chennai - 600 031

COMPOSITE SCHEME OF AMALGAMATION

OF

CAPITAL FIRST LIMITED
(Amalgamating Company 1)

AND

CAPITAL FIRST HOME FINANCE LIMITED
(Amalgamating Company 2)

AND

CAPITAL FIRST SECURITIES LIMITED
(Amalgamating Company 3)

WITH

IDFC BANK LIMITED
(Amalgamated Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PART A

GENERAL

1. DESCRIPTION OF THE COMPANIES

1.1 **IDFC Bank Limited** is a public limited company, incorporated under the Companies Act *(as defined hereinafter)*, having its registered office at KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600031 (hereinafter referred to as the "Amalgamated Company"). The Amalgamated Company is licensed as a banking company under the provisions of the Banking Regulation Act, 1949 ("BR Act"). The equity shares of the Amalgamated Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). The Amalgamated Company is primarily engaged in the business of providing banking services in India.

1.2 **Capital First Limited** is a public limited company, incorporated under the provisions of the Companies Act, 1956 ("1956 Act"), having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 1"). The Amalgamating Company 1 is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges. The Amalgamating Company 1 is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.

1.3 **Capital First Home Finance Limited** is a public limited company, incorporated under the provisions of the 1956 Act, having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 2"). Amalgamating Company 2 is registered with the National Housing Bank ("NHB") as a housing finance company. The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.

1.4 **Capital First Securities Limited** is a public limited, company incorporated under the provisions of the 1956 Act, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri(E), Mumbai – 400093 (hereinafter referred to as the "Amalgamating Company 3"). The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication. Amalgamating Company 3 is also the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ("CFCL") and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date (as defined hereinafter) and consequently, CFCL is not a part of the Amalgamation (as defined hereinafter).

2. This Scheme is presented for the amalgamation of Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively the "Amalgamating Companies") with the Amalgamated Company and the consequent dissolution of the Amalgamating Companies without winding up and the issuance of New Equity Shares *(as defined hereinafter)* to the shareholders of the Amalgamating Company 1 in accordance with the Share Exchange Ratio *(as defined hereinafter)*, pursuant

to Sections 230 – 232, and other relevant provisions of the Companies Act, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act *(as defined hereinafter)* ("Amalgamation").

3. BACKGROUND AND RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT

3.1 The Amalgamation pursuant to this Scheme would, inter alia, have the following benefits:

(a) the Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

(b) the Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;

(c) the Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;

(d) the Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;

(e) the Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;

(f) the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;

(g) the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

(h) in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;

(i) the Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;

(j) Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, has assets under management of approximately ₹ 13,29,90,00,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;

(k) as of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

(l) the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.

3.2 Accordingly, to achieve the abovementioned benefits, the Boards (as defined hereinafter) of each of the Amalgamating Companies and the Amalgamated Company has decided to make requisite applications and / or petitions before the Tribunals / Governmental Authority (as defined hereinafter) as the case may be, as applicable under Sections 230 to 232 of the Companies Act and other applicable provisions of this Scheme.

4. This Scheme is divided into the following parts:

4.1 Part A, which deals with the general description of the Amalgamation, the background and the rationale for the Scheme.

4.2 Part B, which deals with the introduction and definitions, and sets out the share capital of the respective Amalgamating Companies and the Amalgamated Company.

4.3 Part C, which deals with the amalgamation of the Amalgamating Company 1 with the Amalgamated Company.

4.4 Part D, which deals with the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company.

4.5 Part E, which deals with the general terms and conditions applicable to this Scheme.

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART B

DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

5.1 In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively against them:

(a) "1956 Act" shall have the meaning set forth in Clause 1.2;

(b) "Amalgamation" shall have the meaning set forth in Clause 2;

(c) "Amalgamated Company" shall have the meaning set forth in Clause 1.1;

(d) "Amalgamating Company 1 ESOP Plans" means collectively the ESOP 1, ESOP 2, ESOP 3, ESOP 4, ESOP 5, ESOP 6, ESOP 7, ESOP 8 and ESOP 9;

(e) "Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company, each having a face value of ₹ 10 (Rupees Ten) and one vote per equity share;

(f) "Amalgamating Companies" shall have the meaning set forth in Clause 2, and "Amalgamating Company" shall mean any one of them, as the case may be;

(g) "Amalgamating Company 1" shall have the meaning set forth in Clause 1.2;

(h) "Amalgamating Company 2" shall have the meaning set forth in Clause 1.3;

(i) "Amalgamating Company 3" shall have the meaning set forth in Clause 1.4;

(j) "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and / or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;

(k) "Appointed Date" means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative;

(l) "Board" in relation to each of the Amalgamating Companies and the Amalgamated Company, as the case may be, means the board of directors of such company;

(m) "BR Act" shall have the meaning set forth in Clause 1.1;

(n) "CCI" means the Competition Commission of India;

(o) "CCI Approval" means the approval granted by the CCI to the Amalgamation in accordance with the provisions of the Competition Act, 2002, and the relevant rules and regulations thereunder;

(p) "CFCL" shall have the meaning set forth in Clause 1.4;

(q) "Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment or amendments thereof for the time being in force;

(r) "Effective Date" means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

(s) "Eligible Employees" means the employees of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3, who are entitled to the Amalgamating Company 1 ESOP Plans established by the Amalgamating Company 1, to whom, as on the Effective Date, options of the Amalgamating Company 1 have been granted, irrespective of whether the same are vested or not;

(t) "Employees" means all the employees of the respective Amalgamating Companies (as may be applicable) as on the Effective Date;

(u) "Encumbrance" or "Encumbered" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;

(v) "ESOP 1" means the Amalgamating Company 1 employee stock option plan 2007, as approved by the Board and shareholders of the Amalgamating Company 1;

(w) "ESOP 2" means the Amalgamating Company 1 employee stock option plan 2008, as approved by the Board and shareholders of the Amalgamating Company 1;

(x) "ESOP 3" means the Amalgamating Company 1 employee stock option plan 2009, as approved by the Board and shareholders of the Amalgamating Company 1;

(y) "ESOP 4" means the Amalgamating Company 1 employee stock option plan 2011, as approved by the Board and shareholders of the Amalgamating Company 1;

(z) "ESOP 5" means the Amalgamating Company 1 employee stock option plan 2012, as approved by the Board and shareholders of the Amalgamating Company 1;

(aa) "ESOP 6" means the Amalgamating Company 1 employee stock option plan 2014, as approved by the Board and shareholders of the Amalgamating Company 1;

(bb) "ESOP 7" means the Amalgamating Company 1 employee stock option plan 2016, as approved by the Board and shareholders of the Amalgamating Company 1;

(cc) "ESOP 8" means the Amalgamating Company 1 employee stock option plan 2017, as approved by the Board and shareholders of the Amalgamating Company 1;

(dd) "ESOP 9" means the Amalgamating Company 1 CMD employee stock option plan 2017, as approved by the Board of the Amalgamating Company 1 and subject to the approval of the shareholders of the Amalgamating Company 1;

(ee) "Existing Employees Stock Option Plan" means the Amalgamated Company employee stock option scheme 2015 established by the Amalgamated Company as per the SEBI (Share Based Employee Benefits) Regulations, 2014;

(ff) "Governmental Authority" means any governmental or statutory authority, government department, agency, commission, board tribunal or court or other entity authorized to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction or any state or other sub-division thereof or any municipality, district or other sub-division thereof having jurisdiction pursuant to Applicable Law, including the RBI, SEBI (as defined hereinafter) and the CCI;

(gg) "Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

(hh) "Liabilities" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of a Amalgamating Company, including all

secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), and undertakings of a Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge;

(ii) "LODR" means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;

(jj) "New Equity Shares" shall have the meaning set forth in Clause 11.1;

(kk) "NHB" means the National Housing Bank;

(ll) "NHB Control Directions" means the Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, dated February 9, 2017;

(mm) "Person" means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his / her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

(nn) "Proceedings" shall have the meaning set forth in Clause 15;

(oo) "Record Date" means the date to be fixed by the Boards of the Amalgamated Company in consultation with the Amalgamating Company 1 for the purpose of determining the equity shareholders (members) of the Amalgamating Company 1, to whom Amalgamated Company Shares will be allotted pursuant to this Scheme;

(pp) "Registrar of Companies" means the Registrar of Companies, Mumbai and / or the Registrar of Companies, Chennai, Tamil Nadu, having jurisdiction over the Amalgamated Company and the Amalgamating Companies, as may be applicable;

(qq) "RBI" shall have the meaning set forth in Clause 1.2;

(rr) "RBI Amalgamation Directions" means the RBI Master Direction – Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016;

(ss) "RBI Approval" means the Scheme being approved by the RBI pursuant to the RBI Amalgamation Directions;

(tt) "Scheme" means this composite scheme of amalgamation, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, in its present form (along with any annexures, schedules, etc., attached hereto), with such modifications and amendments as may be made from time to time in accordance with the terms hereof and with appropriate approvals including approvals of the shareholders / creditors and sanctions from the Tribunals or any Governmental Authority as may be required under the Companies Act and under all Applicable Laws;

(uu) "SEBI" means the Securities and Exchange Board of India;

(vv) "SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by the SEBI Circular dated January 3, 2018, and includes any amendments and clarifications thereto issued by SEBI from time to time;

(ww) "Share Exchange Ratio" shall have the meaning set forth in Clause 11.1 hereof;

(xx) "Stock Exchanges" shall have the meaning set forth in Clause 1.1;

(yy) "Stock Exchange Approval" means the no-objection / observation letter obtained by the Amalgamating Company 1 and the Amalgamated Company from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulation 37 of the LODR and the SEBI Circular;

(zz) "Tax" or "Taxes" means: (a) all forms of direct tax and indirect tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; and (b) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

(aaa) "Tax Authority" means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or Person responsible for Tax;

(bbb) "Transferee Stock Option Plan" shall have the meaning set forth in Clause 17.1;

(ccc) "Tribunal(s)" means the National Company Law Tribunal, Mumbai Bench, and/or National Company Law Tribunal, Chennai Bench and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Companies Act; and

(ddd) "Undertaking" means the entire business of each of the respective Amalgamating Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, Liabilities, duties, obligations and Employees as on the Appointed Date including, but not in any way limited to, the following:

(i) All the assets and properties (tangible or intangible, moveable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self assessment tax, withholding tax credits, any tax refunds and credits, minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits (including claims for carried forward tax losses and unabsorbed tax depreciation) advantages, privileges, exemptions, credits, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

(ii) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease, license and business arrangements), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax benefits, subsidies, concessions, grants, rights, claims, leases, licenses, right to use and / or access, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;

(iii) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Amalgamating Company's business activities and operations.

(iv) Amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.

(v) Right to any claim not preferred or made by the Amalgamating Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, tax holidays, credits, etc. under the Income Tax Act, sales tax, value added tax, service tax, custom duties and goods and service tax or any other or like benefits under the said acts or under and in accordance with any law or act, in India.

(vi) All debts (secured and unsecured), loans (whether denominated in Indian rupees or a foreign currency), deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Liabilities including tax

liabilities, contingent liabilities, debentures, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Amalgamation and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;

(vii) All other obligations of whatsoever kind, including Liabilities of the Amalgamating Company with regard to their Employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and / or permits; and

(viii) All Employees as on the Effective Date.

5.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

5.3 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;

5.4 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

5.5 Any reference to any statute or statutory provision shall include:

(a) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.6 Words denoting the singular shall include the plural and words denoting any gender shall include all genders. Words of either gender shall be deemed to include all the other genders.

5.7 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" shall be construed to be a reference to the Effective Date.

5.8 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

5.9 Words directly or indirectly mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and direct or indirect have the correlative meanings.

5.10 The words "include" and "including" are to be construed without limitation.

5.11 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.

5.12 Any reference to the Preamble, Recital, Clause or Schedule shall be a reference the Preamble to, or Recital, Clause or Schedule of this Scheme.

6. DATE OF TAKING EFFECT OF THE SCHEME

6.1 The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The various Parts of the Scheme shall be deemed to have taken effect in the following sequence:

(a) Firstly, Part C of the Scheme (relating to amalgamation of Amalgamating Company 1 into Amalgamated Company) shall be deemed to have taken effect, prior to Part D of the Scheme;

(b) Subsequently, Part D of the Scheme (relating to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company) shall be deemed to have taken effect, after Part C of the Scheme.

6.2 The amalgamation of Amalgamating Companies with Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

7. SHARE CAPITAL

7.1 Amalgamated Company

(a) The share capital structure of the Amalgamated Company as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
5,00,00,00,000 equity shares of ₹ 10 each	50,00,00,00,000
Total	50,00,00,00,000
Issued Share Capital	**Amount in Rupees**
3,40,26,76,128 equity shares of ₹ 10 each	34,02,67,61,280
Total	34,02,67,61,280
Subscribed and Paid Up Share Capital	**Amount in Rupees**
3,40,26,76,128 equity shares of ₹ 10 each	34,02,67,61,280
Total	34,02,67,61,280

(b) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.

(c) The Amalgamated Company has outstanding employee stock options under its existing employee stock option scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company.

7.2 Amalgamating Company 1

(a) The share capital structure of the Amalgamating Company 1 as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
11,30,00,000 equity shares of ₹ 10 each	1,13,00,00,000
Total	1,13,00,00,000
Issued Share Capital	**Amount in Rupees**
9,88,90,084 equity shares of ₹ 10 each	98,89,00,840
Total	98,89,00,840
Subscribed and Paid Up Share Capital	**Amount in Rupees**
9,88,90,084 equity shares of ₹ 10 each	98,89,00,840
Total	98,89,00,840

(b) The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges.

(c) The Amalgamating Company 1 has outstanding employee stock options under its existing employee stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1 and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1.

7.3 Amalgamating Company 2

(a) The share capital structure of the Amalgamating Company 2 as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
15,00,00,000 equity shares of ₹ 10 each	1,50,00,00,000
Total	1,50,00,00,000
Issued Share Capital	**Amount in Rupees**
13,77,33,079 equity shares of ₹ 10 each	1,37,73,30,790
Total	1,37,73,30,790
Subscribed and Paid Up Share Capital	**Amount in Rupees**
13,77,33,079 equity shares of ₹ 10 each	1,37,73,30,790
Total	1,37,73,30,790

(b) As on December 31, 2017, the Amalgamating Company 2 has no outstanding stock options exercisable into equity shares;

7.4 Amalgamating Company 3

(a) The share capital structure of the Amalgamating Company 3 as on December 31, 2017 is as under:

Authorized Share Capital	**Amount in Rupees**
6,20,00,000 equity shares of ₹ 10 each	62,00,00,000
38,00,000 preference shares of ₹ 100 each	38,00,00,000
Total	**1,00,00,00,000**
Issued Share Capital	**Amount in Rupees**
5,53,55,600 equity shares of ₹ 10 each	55,35,56,000
12,00,000 preference shares of ₹ 100 each	12,00,00,000
Total	**67,35,56,000**
Subscribed and Paid Up Share Capital	**Amount in Rupees**
5,53,55,600 equity shares of ₹ 10 each	55,35,56,000
12,00,000 preference shares of ₹ 100 each	12,00,00,000
Total	**67,35,56,000**

(b) As on December 31, 2017, the Amalgamating Company 3 has no outstanding stock options exercisable into equity shares.

8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES WITH THE AMALGAMATED COMPANY

Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, (i) the Amalgamating Company 1, and (ii) the Amalgamating Company 2 and Amalgamating Company 3, shall stand amalgamated into the Amalgamated Company and their respective Undertaking shall, pursuant to the sanction of the Scheme by the Tribunals and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

PART C

AMALGAMATION OF THE AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9. TRANSFER AND VESTING OF ASSETS OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9.1 Without prejudice to the generality of Clause 8 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 1, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company 1 shall, subject to the provisions of this Clause 9 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

9.2 In respect of such of the assets of the Amalgamating Company 1 as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 1, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

9.3 In respect of such of the assets belonging to the Amalgamating Company 1 other than those mentioned in Clause 9.2 above, the same shall, as more particularly provided in Clause 8 above, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

9.4 All assets, rights, titles or interests acquired by the Amalgamating Company 1 after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

10. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

10.1 Upon coming into effect of this Scheme, all Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of the Amalgamating Company 1, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 1 and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

10.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 1 as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 1 on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

10.3 Upon the coming into effect of the Scheme, all Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 1 from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the Liabilities, loans, duties and obligations of the Amalgamated Company.

10.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a Liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 1 and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either Amalgamating Company 1 and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

10.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company 1 which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

10.6 The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company 1 transferred to and vested in the Amalgamated Company by virtue of the Scheme.

10.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

10.8 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Liabilities transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.

10.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

11. CONSIDERATION

11.1 Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the whole of the Undertaking of Amalgamating Company 1 in the Amalgamated Company pursuant to Part C of this Scheme, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of Amalgamating Company 1 whose names are recorded in the register of members as a member of the Amalgamating Company 1 on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Amalgamated Company) 139 (One Hundred and Thirty Nine) Amalgamated Company Shares, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of ₹ 10 (Rupees Ten) each fully paid-up held by such member in the Amalgamating Company 1 ("Share Exchange Ratio"). The Amalgamated Company Shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company 1 in accordance with this Clause 11.1 shall be hereinafter referred to as "New Equity Shares". The New Equity Shares to be issued and allotted by the Amalgamated Company shall be subject to adjustments to take into account any corporate actions mutually agreed between Amalgamating Company 1 and the Amalgamated Company prior to the Effective Date.

11.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company 1, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company 1 and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transaction period.

11.3 Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of Amalgamating Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.

11.4 The New Equity Shares of Amalgamated Company allotted and issued in terms of Clause 11.1 above, shall be listed and / or admitted to trading on the relevant Stock Exchanges, where the equity shares of Amalgamated Company are listed and / or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the relevant Stock Exchanges.

11.5 Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of Amalgamating Company 1 whose names appear on the register of members as a member of the Amalgamating Company 1 on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company 1 in the records of the depositories / register of members, as the case may be, as on the Record Date, the equity shares of Amalgamating Company 1, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, Amalgamated Company may, instead of requiring the surrender of the share certificates of Amalgamating Company 1, directly issue and dispatch the new share certificates of Amalgamated Company in lieu thereof.

11.6 The New Equity Shares of Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company 1 as provided in sub-Clause 11.1 above shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank pari-passu in all respects with Amalgamated Company Shares after the Effective Date including in respect of dividend, if any, that may be declared by Amalgamated Company on or after the Effective Date.

11.7 The issue and allotment of New Equity Shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under the Companies Act and any other applicable provisions of the Companies Act, and such other statues and regulations as may be applicable were duly complied with.

11.8 If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 11.1 above, the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company (the "Trustee"), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company 1 in proportion to their respective fractional entitlements.

11.9 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the New Equity Shares issued to the members of the Amalgamating Company 1 by the Amalgamated Company shall be in issued in dematerialized form by the Amalgamated Company, provided that the details of the depository accounts of the members of the Amalgamating Company 1 are made available to the Amalgamated Company by the Amalgamating Company 1 at least 2 (Two) working days prior to the Effective Date. In the event that such details are not available with the Amalgamated Company, it shall issue the New Equity Shares to the members of the Amalgamating Company 1 in physical form.

11.10 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1 as are subject to lock-in pursuant to Applicable Law, shall remain locked-in as required under Applicable Law.

11.11 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

12. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 1 with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

13. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

13.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible or for the obligations of which the Amalgamating Company 1 may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company 1 occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 1 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part C of this Scheme, be deemed to be authorized to execute any such writings on behalf of any of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.

13.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1 shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

13.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 1 in any properties including leasehold/licensed properties of the Amalgamating Company 1, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

13.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 1 and the Amalgamated Company, that have not been completed, shall stand cancelled.

14. TAXATION MATTERS

14.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 1, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 1, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

14.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

14.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 1, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any Taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company 1 shall be deemed to be advance tax paid by the Amalgamated Company.

15. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Amalgamating Company 1 in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 1 or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 1, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 1.

16. EMPLOYEES OF AMALGAMATING COMPANY 1

16.1 All Employees of the Amalgamating Company 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 1 immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 1 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 1 shall also be taken into account by the Amalgamated Company.

16.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

16.3 It is provided that as far as the provident fund, gratuity fund and pension and / or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 1 in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 1 for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 1 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 1 in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 1 and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

17. EMPLOYEE STOCK OPTION PLAN

17.1 In respect of stock options granted by the Amalgamating Company 1 under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to the Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 either under its Existing Employees Stock Option Plan or a revised stock option plan for the employees of the Amalgamated Company and the Eligible Employees or under a separate employee stock option plan created by the Amalgamated Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("Transferee Stock Option Plan").

17.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees under the Amalgamating Company 1 ESOP Plans shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by an Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

17.3 The grant of options to the Eligible Employees pursuant to Clause 17.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

17.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

17.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

PART D

AMALGAMATION OF THE AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18. TRANSFER AND VESTING OF THE RESPECTIVE ASSETS OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18.1 Without prejudice to the generality of Clause 8 above, upon coming into effect of the Scheme and with effect from the Appointed Date (after Part C is deemed to have taken effect), and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 2 and Amalgamating 3, respectively, of whatsoever nature and wherever situate, whether or not included in the respective books of Amalgamating Company 2 and Amalgamating 3, respectively, shall, subject to the provisions of this Clause 18 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

18.2 In respect of such of the assets of Amalgamating Company 2 and Amalgamating Company 3, respectively, as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 2 and Amalgamating Company 3, respectively, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

18.3 In respect of such of the assets belonging to the Amalgamating Company 2 and Amalgamating Company 3, respectively, other than those mentioned in Clause 18.2 above, the same shall, as more particularly provided in Clause 18.1 above, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

18.4 All assets, rights, titles or interests acquired by the Amalgamating Company 2 and Amalgamating Company 3, respectively, after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

19. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

19.1 Upon coming into effect of this Scheme, all the Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of Amalgamating Company 2 and the undertaking of Amalgamating Company 3, respectively, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 2 and Amalgamated Company 3, respectively, and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

19.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 2 and Amalgamating Company 3 respectively, on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

19.3 Upon the coming into effect of the Scheme, all the Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 2 and Amalgamating Company 3, respectively, from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the Liabilities, loans, duties and obligations of the Amalgamated Company.

19.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a Liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 2 and Amalgamating Company 3, respectively. and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company 2 and Amalgamating Company 3 respectively, and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

19.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

19.6 The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the respective assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 transferred to and vested in the Amalgamated Company by virtue of the Scheme.

19.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

19.8 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Liabilities transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.

19.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

20. CONSIDERATION

No consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company, and the securities held by the Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively, (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Amalgamating Company 1 with the Amalgamated Company) shall stand cancelled without any further act, application or deed. As the Amalgamating Company 2 and Amalgamating Company 3 are wholly-owned subsidiaries of the Amalgamated Company, no consideration shall be payable pursuant to the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3, respectively, into the Amalgamated Company, and the securities held by the Amalgamated Company in Amalgamating Company 2 and Amalgamating Company 3, shall stand cancelled without any further act, application or deed.

21. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 2 and Amalgamating Company 3, respectively, with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

22. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

22.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements,

schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or to the benefit of which Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be eligible or for the obligations of which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2 and Amalgamating Company 3, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

22.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of each of the Amalgamating Company 2 and Amalgamating Company 3 occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part D of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 2 and the Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 and the Amalgamating Company 3 to be carried out or performed.

22.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

22.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 2 and Amalgamating Company 3 in any properties including leasehold/ licensed properties of the Amalgamating Company 2 and Amalgamating Company 3, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

22.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 2 and the Amalgamating Company 3, respectively, with the Amalgamated Company, that have not been completed, shall stand cancelled,

23. TAXATION MATTERS

23.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 2 and Amalgamating Company 3, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 2 and Amalgamating Company 3, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

23.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

23.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 2 and the Amalgamating Company 3, respectively, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any Taxes

deducted by the Amalgamated Company from payments made to the Amalgamating Company 2 and Amalgamating Company 3, respectively, shall be deemed to be advance tax paid by the Amalgamated Company.

24. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other Proceedings by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 2 and Amalgamated Company 3.

25. EMPLOYEES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3

25.1 All Employees of the Amalgamating Company 2 and Amalgamation Company 3, respectively, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 2 and Amalgamating Company 3, respectively, immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 2 and Amalgamating Company 3, respectively, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 2 and Amalgamating Company 3 shall also be taken into account by the Amalgamated Company.

25.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

25.3 It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 2 and Amalgamated Company 3, respectively, in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 2 and Amalgamated Company 3, respectively, for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 2 and Amalgamating Company 3 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 2 and Amalgamating Company 3, respectively, and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

26. EMPLOYEE STOCK OPTION PLAN

26.1 In respect of stock options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to such Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 under the Transferee Stock Option Plan.

26.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to such Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options

held by such Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to such Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

26.3 The grant of options to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 pursuant to Clause 26.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

26.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by such Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

26.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

PART E

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

27. APPROVAL OF MEMBERS OF THE AMALGAMATING COMPANIES AND AMALGAMATED COMPANY

Each of the Amalgamating Companies and the Amalgamated Company undertake that the approval of the members of each of the Amalgamating Companies and the Amalgamated Company, respectively, shall be sought for the Scheme, in a meeting of such members with voting occurring through postal ballot and e-voting as may be applicable under the Companies Act and the SEBI Circular. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme including valuation report obtained by the Amalgamating Company 1 and the Amalgamated Company from Walker Chandiok & Co. LLP and S. R. Batliboi & Co. LLP and fairness opinion obtained from JM Financial Institutional Securities Limited and Kotak Mahindra Capital Company Limited, respectively, the complaints report and the observation letters received from the Stock Exchanges and such other documents / information as prescribed under the SEBI Circular.

28. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

28.1 The Amalgamating Companies and the Amalgamated Company have agreed that during the period between the approval of the Scheme by the respective Boards of the Amalgamating Companies and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Companies and the Amalgamated Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

28.2 With effect from the Appointed Date and up to and including the Effective Date:

(a) each of the Amalgamating Companies shall and shall be deemed to have been carrying on all business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Amalgamated Company;

(b) all profits and income accruing to each of the Amalgamating Companies, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of each of the Amalgamating Companies shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;

(c) any of the rights, powers, authorities, privileges exercised by each of the Amalgamating Companies shall be deemed to have been exercised by such Amalgamating Companies for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by each of the Amalgamating Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and

(d) all assets acquired and all Liabilities incurred by each of the Amalgamating Companies after the Appointed Date but prior to the Effective Date shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Amalgamated Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture holders.

29. DIVIDENDS

29.1 The Amalgamated Company and each of the Amalgamating Companies shall be entitled to declare and pay dividends, whether interim or final, to their shareholders, as per their respective dividend policies consistent with past practice in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamating Companies and the Amalgamated Company and prior to the Effective Date.

29.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Amalgamating Companies and/or the Amalgamated Company to demand or claim any dividends which, subject to Clause 29.1 and the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Amalgamating Companies and/or Amalgamated Company, as the case may be, and subject, wherever necessary, to the approval of the respective shareholders.

30. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of each of the Amalgamating Companies pursuant to this Scheme, and the continuance of Proceedings under Clauses 15 and 24 above shall not affect any transaction or Proceedings already concluded by any of the Amalgamating Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Companies in respect thereto, as if done and executed on its behalf.

31. COMBINATION OF AUTHORISED CAPITAL

31.1 Upon this Scheme becoming effective, the authorized share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of each of the Amalgamating Companies amounting to ₹ 363,00,00,000 (Rupees Three Hundred and Sixty Three Crores Only) and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 232 or any other applicable provisions of the Companies Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of each of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and / or fee by the Amalgamated Company for increase in the authorized share capital to that extent.

31.2 Pursuant to the Scheme becoming effective and consequent upon the Amalgamation of the Amalgamating Companies into the Amalgamated Company, the authorized share capital of the Amalgamated Company will be as under:

AUTHORISED SHARE CAPITAL:	**(₹)**
5,32,50,00,000 equity shares of ₹ 10 each	53,25,00,00,000
38,00,000 preference shares of ₹ 100 each	38,00,00,000
Total	53,63,00,00,000

31.3 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum and articles of association of the Amalgamated Company as may be required under the Companies Act, and Clause V of the memorandum of association of the Amalgamated Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorized Share Capital of the Company is ₹ 53,63,00,00,000 (Rupees Five Thousand Three Hundred and Sixty Three Crore only) divided into 5,32,50,00,000 (Five Hundred and Thirty Two Crore Fifty Lakh) Equity Shares of ₹ 10 (Rupees Ten) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of ₹ 100 (Rupees One Hundred) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital

for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

31.4 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of New Equity Shares in accordance with the Scheme. It is clarified that no special resolution under Section 62 of the Companies Act, shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of the New Equity Shares to the members of the Amalgamating Company 1 under this Scheme and for the members of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the New Equity Shares to the members of the Amalgamating Company 1 in terms of the Scheme.

32. DISSOLUTION OF THE AMALGAMATING COMPANIES

On the Scheme becoming effective, each of the Amalgamating Companies shall stand dissolved without being wound-up. On and with effect from the Effective Date, the name of the Amalgamating Companies shall be struck off from the records of the appropriate Registrar of Companies. The Amalgamated Company shall make necessary filings in this regard.

33. APPLICATIONS / PETITIONS TO THE TRIBUNALS AND APPROVALS

33.1 Each of the Amalgamating Companies and the Amalgamated Company, respectively, shall, with all reasonable dispatch, make and file all applications under Sections 230 to 232 read with other applicable provisions of the Companies Act, to the respective Tribunals, for sanction of this Scheme and for dissolution of Amalgamating Companies.

33.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Amalgamated Company may require to own the Undertaking and to carry on the business of each of the Amalgamating Companies.

34. MODIFICATIONS / AMENDMENTS TO THE SCHEME

34.1 The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other Person or Persons, as the respective Boards may authorize, including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority, whether in pursuance of a change in Applicable Law or otherwise. The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other person or persons, as the respective Boards may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

34.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Amalgamating Companies and / or the Amalgamated Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

35. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of each of the Amalgamating Companies as are considered necessary by the Board of Amalgamated Company which are validly subsisting be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

36. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the receipt of the following approvals:

(a) the RBI Approval;

(b) the Stock Exchanges Approval;

(c) the CCI Approval;

(d) NHB approval for change in control / management of Amalgamating Company 2 in terms of the NHB Control Directions;

(e) approval from SEBI, the Stock Exchanges and / or National Securities Depository Limited, as may be required;

(f) receipt of approval from the RBI under Section 12B of the BR Act, New Bank Guidelines and the RBI Master Directions – Ownership in Private Sector Banks, Directions 2016, for the parent company of the Amalgamating Company 1 to be allotted 5% or more shares in the Amalgamated Company pursuant to the Transaction;

(g) this Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant Tribunals;

(h) the Scheme having been approved by the relevant Tribunals and the Amalgamating Companies and the Amalgamated Company having received a certified true copy of order of the Tribunals approving the Scheme;

(i) certified copes of the order of the Tribunals approving the Scheme being filed with the Registrar of Companies;

(j) due compliance with any condition(s) stipulated by the RBI and / or any other relevant Governmental Authority prior to the effectiveness of the Amalgamation;

(k) divestment by the Amalgamating Company 3 of its entire shareholding in CFCL; and

(l) such other conditions as may be mutually agreed between the Amalgamating Company 1 and the Amalgamated Company.

37. EFFECT OF NON-SATISFACTION OF THE CONDITIONS / NON RECEIPT OF APPROVALS / SANCTIONS

37.1 In the event of any of the said approvals referred to in Clause 36 above not being obtained and / or complied with and / or satisfied and / or this Scheme not being sanctioned by the respective Tribunal and / or order or orders not being passed as aforesaid before the expiry of 15 (Fifteen) months from the date of approval of the Scheme by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect. Provided that, in case of non-satisfaction of any other conditions precedent, the Amalgamating Company 1 and the Amalgamated Company shall proceed in such manner as may be mutually agreed between them.

37.2 If any provision of this Scheme hereof is invalid, ruled illegal by either Tribunal, or unenforceable under present or future Applicable Laws, then such provision (so far as it is invalid or unenforceable) shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either any of the Amalgamating Companies or the Amalgamated Company, then in such case the Amalgamating Companies and the Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such provision.

37.3 If any proposed modification / amendment to this Scheme under Clause 34.1, materially adversely affects the interest of any of the Amalgamating Companies or the Amalgamated Company, then such modification / amendment shall not be binding on such affected party, and such party shall have the right to withdraw the Scheme.

37.4 The Amalgamating Companies and the Amalgamated Company, acting through their respective Boards, may mutually agree in writing to withdraw this Scheme from the Tribunals.

38. COSTS AND EXPENSES

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of the Amalgamating Companies and the Amalgamated Company in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by such Amalgamating Companies and the Amalgamated Company, till the Effective Date.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

VALUATION REPORT

To
The Board of Directors

13 January 2018

IDFC Bank Limited
Naman Chambers C-32,
G-Block Bandra-Kurla Complex,
Bandra East, Mumbai - 400051,
Maharashtra, India.

Sub: Recommendation of fair exchange ratio for the proposed merger of Capital First Limited into IDFC Bank Limited

Dear Sir / Madam,

We refer to the engagement letter whereby, IDFC Bank Limited (hereinafter referred to as "IBL") has appointed S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC" or "Valuer" or "We") for recommendation of fair exchange ratio of equity shares for the proposed merger of Capital First Limited ("CFL") into IBL ("Proposed Merger"), based on the discussions that we have had with and information that we have received from the representatives and Management of IBL ("Management") from time to time in the above matter.

IBL and CFL are hereinafter jointly referred to as the "Companies".

SCOPE AND PURPOSE OF THIS REPORT

IBL is primarily engaged in providing banking services in India. The equity shares of IBL are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange in India ("NSE"). IBL was incorporated in 2014. IBL had reported consolidated total income and profit after tax of INR 9,597.4 crores and INR 1,018.7 crores respectively, for the year ended 31 March 2017.

CFL is a Non –Deposit Accepting Non-Banking Financial Company ("NBFC") which provides loans for property, business, personal loans, two-wheeler loans, consumer durable loans, and pre-owned car loans. The equity shares of CFL are listed on BSE and NSE. CFL was incorporated in 2005. CFL had reported consolidated total income and net profit after tax of INR 2,800.9 crores and INR 238.9 crores respectively for the year ended 31 March 2017.

Capital First Home Finance Limited ("CFHFL") a 100% subsidiary of CFL, is engaged in the business of housing finance. CFHFL was incorporated in 2010 and is headquartered in Mumbai. CFHFL had reported total income and net profit after tax of INR 71.2 crores and INR 6.4 crores respectively for the year ended 31 March 2017.

Capital First Securities Limited ("CFSL"), another 100% subsidiary of CFL provides business advisory, business support services and loan syndication. CFSL was incorporated in 2007 and is based in Mumbai. CFSL had reported total income and net profit after tax of INR 14.9 crores and INR 14.3 crores respectively for the year ended 31 March 2017.

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

We understand that the Management is contemplating the merger of CFL, CFHFL and CFSL into IBL ("Proposed Merger") under a composite scheme of Arrangement and Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and The Companies Rules 2016. Since, CFHFL and CFSL are wholly owned operating subsidiaries of CFL, no separate shares will issued to the shareholders of CFL. Accordingly, as a consideration for this Transaction, equity shareholders of CFL would be issued equity shares of IBL.

For the aforesaid purpose, the Board of Directors of IBL has appointed SRBC to recommend a fair exchange ratio, for the issue of IBL's equity shares to the equity shareholders of CFL, to be placed before the Audit Committee/Board of Directors of IBL.

Our appointment was formalized via engagement letter dated 12 January 2018, however, the work had started earlier.

The Board of Directors of CFL has appointed another independent valuer, Walker Chandiok & Co. LLP, Chartered Accountants ("WCC"), to recommend a fair exchange ratio, for the issue of IBL's equity shares to the equity shareholders of CFL, to be placed before the Audit Committee/Board of Directors of CFL. We and WCC have received information and clarification from or on behalf of their respective clients. We and WCC have independently arrived at different values per share of the Companies. However, to arrive at the consensus on the fair exchange ratio for the Proposed Merger, appropriate rounding off adjustments have been done.

We understand that the appointed date for the merger is 01 April 2018 or such other date as approved by the Courts.

The scope of our services is to conduct a relative (and not absolute) valuation of equity shares of the Companies and report a fair exchange ratio for the Proposed Merger in accordance with generally accepted professional standards.

We have been provided with audited financial statements and other financial information of IBL and CFL for the year ended 31 March 2017 and latest available half yearly result of respective companies. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, the Management has informed us that all material information impacting the Companies have been disclosed to us.

The Management has informed us that:

(a) There would not be any capital variation in the Companies till the Proposed Merger becomes effective without approval of the shareholders other than on account of existing ESOP Scheme which would not be material;

(b) Neither Companies would declare any dividend which are either materially different than those declared in the past few years or having materially different yields.

(c) There are no unusual/abnormal events in both the Companies since the last quarterly results were declared till the Report Date materially impacting their operating/financial performance.

We have relied on the above while arriving at the fair exchange ratio for the Proposed Merger.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information about the Companies as received from the Management and/or gathered from public domain:

- Annual reports for the year ended 31 March 2017 and earlier periods for IBL and CFL;
- Unaudited (limited reviewed) results for the half year ended 30 September 2017 for IBL and CFL;
- List of outstanding ESOPs for various plans with respective exercise price for the Companies
- Other relevant information

Besides the above listing, there may be other information provided by the Client which may not have been perused by us in any detail, if not considered relevant for our defined scope.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. IBL has been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (physical/over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - SRBC' internal transactions database
    - Proprietary databases subscribed by us
- Selection internationally accepted valuation methodology/ (ies) as considered appropriate by us.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 8 January 2018 ('Valuation Date'). We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the audited financial statements of IBL and CFL as at 31 March 2017 and unaudited (limited reviewed) financial results for the quarter and six months ended 30 September 2017. The Management has represented that the business activities of IBL and CFL have been carried out in the normal and ordinary course between 30 September 2017 and the Valuation date and that no material changes have occurred in their respective operations and financial position between 30 September 2017 and the Valuation date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by IBL and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the exchange ratio of the equity shares of IBL and CFL. The final responsibility for the determination of the exchange ratio at which the Proposed Merger shall take place will be with the Board of Directors of IBL who should take into account other factors such as their own assessment of the Proposed Merger and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section - Sources of Information.



We have not independently investigated or otherwise verified the financial information provided by IBL. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from IBL, we have been given to understand by the Management of IBL that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of IBL. The Management of IBL has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that IBL and CFL comply fully with relevant laws and regulations applicable in all its areas of operations, and that IBL and CFL will be managed in a competent and responsible manner. Further, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The report does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to IBL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement and Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

SHAREHOLDING PATTERN

IDFC Bank Limited

The issued and subscribed equity share capital of IBL as at 30 September 2017 is INR 3401.9 Crores consisting of 3,40,18,82,609 equity shares of face value of INR 10 each.
The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No of Shares	% Share Holding
Promoter & Group	1,79,75,12,668	52.8%
Public- Institutions	1,04,30,23,094	30.7%
Public- Non Institutions	56,13,46,847	16.5%
Grand Total	3,40,18,82,609	100.0%

Source: BSE filing

Capital First Limited

The issued and subscribed equity share capital of CFL as at 30 September 2017 is INR 97.82 Crores consisting of 9,78,24,594 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No of Shares	% Share Holding
Promoter & Group	3,51,85,602	36.0%
Public- Institutions	3,66,30,431	37.4%
Public- Non Institutions & others	2,60,08,561	26.6%
Grand Total	9,78,24,594	100.00%

Source: BSE filing

APPROACH - BASIS OF MERGER

The Proposed Scheme of Amalgamation contemplates the merger of CFL into IBL. Arriving at the fair exchange ratio for the Proposed Merger of CFL into IBL would require determining the relative value of the equity shares of CFL and the equity shares of IBL. These values are to be determined independently, but on a relative basis for both the Companies.

There are several commonly used and accepted methods for determining the fair exchange ratio for the Proposed Merger of CFL into IBL, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with

changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price Method

The market price of an equity share as quoted on a stock exchange, where the shares regularly and freely traded in, is normally considered as the value of the equity shares of that company. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of the Companies are listed on BSE and NSE. The share price observed on NSE for the respective Companies over a reasonable period have been considered for arriving at the value per share of the Companies under the market price method.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have considered Price to Book (P/BV) multiple and Price to Earnings (P/E) multiple of the comparable listed companies for the purpose of our valuation.

The total value of equity shareholders is then divided by the number of diluted equity shares (considering impact of ESOPs outstanding) for arriving at the value per equity share of the Companies under CCM method.

Discounted Cash Flows ("DCF") Method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:



Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

We have not used DCF method as the Management has not provided us with the financial projections.

Net Asset Value ("NAV") Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach may be used in cases where the assets base dominates the earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

We have not used NAV method as it does not capture the earning capacity of the business and hence NAV would not be representative of fair value.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- The equity shares of IBL and CFL are frequently traded on both the stock exchanges, BSE & NSE in India.
- Key operating / financial parameters of Companies vis-à-vis its comparable companies.

BASIS OF FAIR EXCHANGE RATIO

The basis of the Transaction of CFL into IBL would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the recommending the fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of IBL and CFL but at their relative values to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of IBL and CFL based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of IBL and CFL, having regard to information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of IBL and CFL.

The computation of fair exchange ratio is tabulated below:

Valuation Approach	IBL		CFL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	44.4	0%	251.5	0%
Market Approach – Market Price method	55.8	50%	785.2	50%
Income Approach – Comparable Companies Multiples Method	62.8	50%	860.5	50%
Relative Value per Share	59.3		822.8	
Fair Exchange Ratio (rounded off)			13.9	

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair exchange ratio for the Proposed Merger of CFL into IBL:

139 (One Hundred and Thirty Nine) equity shares of IBL of INR 10/- each fully paid up for every 10 (Ten) equity shares of CFL of INR 10/- each fully paid up.

Respectfully submitted,

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Jayesh Gandhi
Partner
Membership No: 037924

January 13, 2018

The Board of Directors
IDFC Bank Limited
Naman Chambers, 6th Floor C-32,
G-Block, Bandra-Kurla Complex
Bandra (East),
Mumbai – 400051

Dear Sirs,

Sub: Proposed merger of Capital First Limited ("CFL") with IDFC Bank Limited ("IDFC Bank" or the "Company") ("Proposed Transaction")

IDFC Bank Limited has requested us to issue a fairness opinion ("Opinion") from a financial point of view of the Swap Ratio (as defined below) in relation to the Proposed Transaction.

Proposed Transaction background: IDFC Bank Limited and Capital First Limited are proposing to enter into a composite scheme of amalgamation, which envisages the following:

- Capital First Limited, Capital First Home Finance (100% subsidiary of CFL) and Capital First Securities (100% subsidiary of CFL) ("together Capital First Group") will amalgamate with IDFC Bank Limited

Our scope is restricted to providing an Opinion on the Swap Ratio for the merger of Capital First Group with IDFC Bank.

In arriving at our Opinion, we have reviewed historical financial and listed stock price data. We have also reviewed certain publicly available information, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions. We have also reviewed the valuation report issued to IDFC Bank by S.R. Batliboi & Co. dated January 13, 2018 for the Proposed Transaction. We have also assumed that the final Swap ratio will be substantially the same in the scheme as discussed with you and reviewed by us.

We have had discussions with members of the management of IDFC Bank regarding the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from IDFC Bank dated January 12, 2018 ("Management Representation Letters").

Further, we have had discussions with S.R. Batliboi & Co., the valuation advisor, on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

Based on our examination and according to the information and explanation provided to us, we note that the Proposed Transaction entails Amalgamation of IDFC Bank and Capital First Group.

Kotak Mahindra Capital Company Limited
CIN U67120MH1995PLC134050
Registered Office:
27BKC
C - 27, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051, India.
T +91 22 43360000
F +91 22 67132445
www.investmentbank.kotak.com

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge IDFC Bank and Capital First to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Transaction would be carried out in compliance with applicable laws, rules and regulations.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of IDFC Bank or Capital First Group nor have we evaluated the solvency or fair value of IDFC Bank or Capital First Group, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of IDFC Bank or Capital First Group.

Our Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us.

We express no view as to, and our Opinion does not address, the underlying business decision of or IDFC Bank and Capital First Group to effect the Proposed Transaction or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of IDFC Bank or Capital First Group as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of the IDFC Bank or Capital First will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of IDFC Bank or Capital First may be transacted.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Opinion, and the information made available to us as of, the date hereof, including the capital structure of IDFC Bank and Capital First Group. Our opinion does not address matters such as corporate governance or shareholder rights. We have assumed the Proposed Transaction is legally enforceable.

We will receive a fee for our services in connection with the delivery of this Opinion from IDFC Bank. In addition, IDFC Bank has agreed to indemnify us from any claims arising from any material misstatements or omissions in any information supplied by IDFC Bank or in relation to our engagement in providing the Opinion.

We and our affiliates in the past have provided, and currently provide, services to IDFC Bank and Capital First and their affiliates unrelated to the Proposed Transaction for which services we and such affiliates have received and expect to receive compensation, including, without limitation as creditors and as financial advisors for the purchase/sale of assets/businesses/securities by/to IDFC Bank or Capital First (as the case may be).

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with IDFC Bank and Capital First, and their respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of IDFC Bank, and shall not confer rights or remedies upon, any shareholder of IDFC Bank, or any other person other than the members of the Board of Directors of IDFC Bank, or be used for any other purpose, except to the extent required by law. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be kept open for inspection by shareholders of IDFC Bank, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

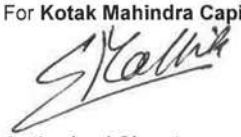
The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that, as of the date hereof, the proposed Swap Ratio is Fair from a financial point of view.

Yours faithfully,

For **Kotak Mahindra Capital Company Limited**



Authorised Signatory
Name: Sourav Mallik
Designation: Joint Managing Director

Walker Chandiok & Co LLP

Dated: 13 January 2018

To
The Board of Directors
Capital First Limited
One Indiabulls Centre
Tower 2A & 2B, 10th Floor
Senapati Bapat Marg
Lower Parel (West)
Mumbai – 400 013.

Walker Chandiok & Co LLP
16th Floor, Tower II
Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

T +91 22 6626 2600
F +91 22 6626 2601

Sub: Recommendation of share exchange ratio for the proposed amalgamation of Capital First Limited ('CFL'), Capital First Home Finance Limited ('CFHFL') and Capital First Securities Limited ('CFSL') into IDFC Bank Limited ('IDFC Bank')

Dear Sir,

We refer to the engagement letter wherein Capital First Limited (hereinafter referred to as 'CFL' or the 'Company') has appointed Walker Chandiok & Co LLP (hereinafter referred to as 'WCC' or 'the valuer' or 'we' or 'us') to recommend a share exchange ratio for the proposed amalgamation of Capital First Limited, Capital First Home Finance Limited ('CFHFL') and Capital First Securities Limited ('CFSL') into IDFC Bank Limited ('IDFC Bank') and issue a Share Exchange Ratio Report (hereinafter referred to as 'the Report'). CFHFL and CFSL are jointly referred to as 'Subsidiaries'.

IDFC Bank and CFL and its Subsidiaries are together hereinafter referred to as the 'Companies'

SCOPE AND PURPOSE OF THIS REPORT

IDFC Bank, listed on BSE and NSE, is a private sector bank, headquartered in Mumbai. IDFC Bank, part of the IDFC Group, commenced its banking operations on October 1, 2015. It operates through 100 branches in 25 states across India. IDFC Bank, has a loan book which largely comprises of corporate loans to the Infrastructure sector. It has however gradually diversified its business mix and added new revenue streams. Its customer segment now includes retail as well as wholesale business.

CFL is a listed financial institution which specializes in providing debt financing to MSMEs and consumers in India. CFL is listed on BSE and NSE and has financed over 4 million customers in over 220 locations in India. From 2010 to 2012, CFL has changed its business model from wholesale financing, asset management and retail equity broking to financing. CFL has two direct subsidiaries; CFHFL and CFSL.

CFHFL is a public limited company, incorporated under the provisions of the Companies Act, 1956 , having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor,



Senapati Bapat Marg, Lower Parel (West) Mumbai – 400 013. It is engaged in the business of providing home loans in the affordable housing segment.

CFSL is a public limited, company incorporated under the provisions of the 1956 Act, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor, 401-407, Mahakali Caves Road, Chakala, Andheri (East), Mumbai – 400 093. It is engaged in the business of advisory, support services and loan syndication.

We understand from the management of CFL (hereinafter referred to as "Management") that they are contemplating amalgamation of CFL including its Subsidiaries into IDFC Bank ('Proposed Amalgamation') and the divesture of Capital First Commodities Limited through a Scheme of Amalgamation under the provisions of Section 230-232 of the Companies Act, 2013 ('Scheme'). Under the Proposed Amalgamation, CFL's equity shareholders would be issued equity shares of IDFC Bank ('Share Exchange Ratio').

For the aforesaid purpose, CFL has requested WCC to submit an independent report recommending the Share Exchange Ratio for the proposed amalgamation of CFL and the subsidiaries into IDFC Bank for the consideration of the Audit Committee / Board of Directors of CFL and the subsidiaries. This report will be placed before the Audit Committee and the Board of CFL, the Board of the Subsidiaries and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Amalgamation.

We understand that IDFC Bank has appointed S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC" or "other Valuer") for determining the Share Exchange Ratio. WCC and SRBC hereinafter jointly referred as the 'Valuers'.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and report on the Share Exchange Ratio for the proposed amalgamation in accordance with generally accepted professional standards. We have been also instructed by CFL to discuss the valuation approach with the other Valuer and arrive at a consensus on the Share Exchange Ratio.

While we have independently carried out the valuation of Companies for recommending the Share Exchange Ratio, appropriate averaging and rounding off in values have been carried, to arrive at the consensus on the Share Exchange Ratio by the Valuers.

As a consideration for the amalgamation, equity shareholders of CFL would be issued equity shares of IDFC Bank. Share Exchange Ratio for this Report refers to the number of equity shares of face value of INR 10/- each of IDFC Bank, which would be issued to the shareholders of CFL.

We have considered facts made known (past or future) to us till the date of our Report.

The Management has informed us that there would not be any material change in the equity share capital of IDFC Bank and CFL from 31 December 2017 till the closing of the proposed amalgamation, except to the extent of issue of shares pursuant to the Employee Stock Options

(ESOPs) Schemes of the Companies, including grants which have already been approved by the boards of the Companies and are subject to the receipt of shareholders' approval

This Report is our deliverable in respect of our recommendation of Share Exchange Ratio for the purpose of the Proposed Amalgamation.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and / or gathered from public domain:

- With respect to IDFC Bank:
  - Annual report of IDFC Bank for the year ended 31 March 2017.
  - Financial results for the period ended 30 September 2017.
  - Details pertaining to outstanding ESOPs and their strike price.
  - Quoted share prices and the traded volumes at NSE.

- With respect to CFL:
  - Annual report of CFL for the year ended 31 March 2017.
  - Financial results for the period ended 30 September 2017.
  - Details pertaining to outstanding ESOPs and their strike price.
  - Quoted share prices and the traded volumes at NSE.

- Others:
  - Draft Composite Scheme of Amalgamation.

It may be noted that no future business plans for the Companies have been provided to us.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Management has been provided with the opportunity to review the draft Report (without value recommendations) as part of our standard practice to make sure those factual inaccuracies / omissions are avoided in our final Report.

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APPROACH TO VALUATION ENGAGEMENT AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Discussions with the Company to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about business plans and future performance estimates.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies using:
    - Valuers' internal transactions database
    - Proprietary databases subscribed by the Valuers'
  - Other publically available information.
- Analysis of information
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations
- Determination of relative value of the Companies
- Arriving at Share Exchange Ratio

Further, at the request of the Management, we have had discussions with fairness opinion providers appointed by CFL on the valuation approach adopted and assumptions made.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 13 January 2018 ('Valuation Date').

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the

Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represent our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. We have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Company, we have been given to understand by the Company that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Company. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Management has represented that the business activities have been carried out in the normal and ordinary course between 30 September 2017 and the Report date for IDFC Bank and CFL and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates and the Report date.

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The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.

This Report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. In addition, this Report does not in any manner address the prices at which equity shares of IDFC Bank and CFL will trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation.

No investigation/inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any third party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose

This valuation Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

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EQUITY SHARE CAPITAL

IDFC Bank Limited

The issued, subscribed and paid up equity share capital of IDFC Bank as at 31 December 2017 is INR 34,026.8 million, consisting of 3,40,26,76,128 equity shares of face value of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 31 December 2017	No. of shares	% shareholding
Promoter & Group	1,79,75,12,668	52.84%
Non Promoter	1,60,51,63,460	47.16%
Total	**3,40,26,76,128**	**100.00%**

Source: BSE filing

Further as informed to us by IDFC Bank, total ESOPs outstanding are 9,65,59,662, of which 9,41,64,995 ESOPs have been considered for the purpose of dilution of equity, taking into account the exercise price of these options as on 31 December 2017. Accordingly, the diluted number of equity shares considered as on the date of this Report is 3,49,68,41,123.

Capital First Limited

The issued, subscribed and paid up equity share capital of CFL as at 31 December 2017 is INR 988.9 million consisting of 9,88,90,084 equity Shares of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 31 December 2017	No. of shares	% shareholding
Promoter & Group	3,51,85,602	35.97%
Non Promoter	6,37,04,482	64.03%
Total	**9,88,90,084**	**100.00%**

Source: BSE filing

Further as informed to us by CFL total ESOPs outstanding are 1,20,56,610 of which 96,06,610 ESOPs have been considered for the purpose of dilution of equity taking into account the exercise price of these options as on 31 December 2017. Accordingly, the diluted number of equity shares considered as on the date of this Report is 10,84,96,694.

APPROACH - BASIS OF PROPOSED AMALGAMATION

We understand from the Management that the proposed Scheme of Arrangement contemplates the merger of the CFL and the Subsidiaries into IDFC Bank pursuant to sections 230 to 232 of the Companies Act, 2013. Arriving at the Share Exchange Ratio for the Proposed Amalgamation of CFL and its Subsidiaries into IDFC Bank would require determining the value of CFL relative to value of equity shares of IDFC Bank. These values are to be determined independently without considering the current Proposed Amalgamation.

There are several commonly used and accepted methods for determining the value of CFL and IDFC Bank, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of business / companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner, based on our previous experience of assignments of a similar nature.

Market Price (MP) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when market prices do not seem to be reflective of financial performance. Further, in the case of a merger / amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of both CFL and IDFC Bank are listed on BSE and NSE and there are regular transactions in their equity shares with reasonable volumes. In these circumstances, the volume weighted average share price observed on NSE for CFL and IDFC Bank over a reasonable period has been considered for determining their respective values under the market price methodology.

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Comparable Companies' Market/Transaction Multiple (CCM) method

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We identified listed comparable companies, based on business of IDFC Bank and thereafter screened the selected multiples based on loan book size, growth and profitability in comparison with IDFC Bank.

Similarly we have identified listed comparable companies, based on business of CFL and thereafter screened the selected multiples based on loan book size, growth and profitability in comparison with CFL.

We have applied the multiples for both IDFC Bank and CFL to determine value of IDFC Bank & CFL respectively under the Comparable Companies' Market Multiple method.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided with mid-term/long term forecasts by the Company. Hence, we have not considered DCF method of valuation.

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Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the assets base dominate earnings capability A Scheme of Amalgamation would normally be proceeded with, on the assumption that the Companies merge as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance.

As IDFC Bank and CFL are differently regulated by the Reserve Bank of India, both have different requirements for maintaining statutory reserves and liquid investments. It would therefore be not appropriate to determine relative value of the Companies using NAV methodology. However, while carrying out value using the CCM Method, the networth of the respective companies is already taken into consideration.

BASIS OF PROPOSED AMALGAMATION

The basis of valuation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of equity shares it is necessary to arrive at a single value for each of the business / subject companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of IDFC Bank and CFL using CCM method and MP method. The Share Exchange Ratio is based on the methodologies explained herein earlier and various qualitative factors relevant to each Company and the business dynamics and growth potential of the businesses of the Companies, having regard to information, key underlying assumptions and limitations.

As mentioned earlier in the Report, while the Valuers have independently carried out valuation of the Companies, they have discussed their approaches and findings with each other. However, to arrive at the consensus on the Share Exchange Ratio, suitable averaging and rounding off in the values arrived at by the Valuers have been done. Please refer Annexure I for summary of valuation workings.

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In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that the Share Exchange Ratio for the proposed amalgamation of CFL and its Subsidiaries into IDFC Bank to be –

139 (One Hundred and Thirty nine) equity shares of IDFC Bank (of INR 10/- each fully paid up) for 10 (Ten) equity shares held in CFL (of INR 10/- each fully paid up) on amalgamation of CFL and its Subsidiaries into IDFC Bank.

Respectfully submitted,

Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration Number:
001076N/ N500013

Huned Contractor
Partner
Membership No: 41456
Date: 13 January 2018

Annexure I

The Computation of Share Exchange Ratio as derived by us, is given below:

Valuation Approach	IDFC Bank		CFL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach – Market Price method	56.1	50%	713.7	50%
Market Approach – Comparable Companies' Multiple method	61.7	50%	921.4	50%
Relative Value per Share	**58.9**	**100%**	**817.5**	**100%**
Exchange Ratio (rounded off)	**139**		**10**	

NA = Not Adopted / Not Applicable

1. *The Asset approach is not used as in present case, both the Companies i.e. IDFC Bank and CFL are differently regulated by the Reserve Bank of India and both have different requirements for maintaining statutory reserves and liquid investments. It is therefore deemed in appropriate to determine relative value of the Companies using NAV methodology. However, while carrying out value using the CCM Method, the networths of the respective Companies are already taken into consideration.*
2. *Since we have not been provided with financial projections of the Companies, Income approach has not been considered.*
3. *Under the Market approach, as both the Companies are listed, we have considered Market Price Method. Further, considering a reasonably close list of comparable listed peer set for the Companies, Comparable Companies Market Multiple method has also been applied. .*

Share Exchange Ratio
139 (One Hundred and Thirty nine) equity shares of IDFC Bank (of INR 10/- each fully paid up) for 10 (Ten) equity shares held in CFL (of INR 10/- each fully paid up) on amalgamation of CFL and its Subsidiaries into IDFC Bank.



JM FINANCIAL

STRICTLY CONFIDENTIAL

January 13, 2018

The Board of Directors,
Capital First Limited,
One Indiabulls Centre,
Tower 2A & 2B, 10th Floor,
Senapati Bapat Marg,
Lower Parel (W),
Mumbai, Maharashtra - 400013

Ladies / Gentlemen:

We refer to the engagement letter dated January 11, 2018 ("**Engagement Letter**") whereby Capital First Limited ("**Amalgamating Company**" or "**Company**") has engaged JM Financial Institutional Securities Limited ("**JM Financial**"), *inter alia,* to provide a fairness opinion to the Company on the valuation report dated January 13, 2018 ("**Valuation Report**") issued by Walker Chandiok & Co LLP, Chartered Accountants (the "**Valuer**") for the proposed merger of the Company into IDFC Bank Limited ("**IDFC Bank**" or "**Amalgamated Company**") as a going concern ("**Proposed Merger**") vide a composite scheme of amalgamation under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("**Proposed Scheme**").

Company Background and Purpose

IDFC Bank is a public limited company incorporated under the Companies Act. IDFC Bank is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. The equity shares of IDFC Bank are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with the BSE, the "**Stock Exchanges**").

The Company is a public limited company, incorporated under the provisions of the Companies Act, 1956. The Company is registered with the Reserve Bank of India ("**RBI**") as a systemically important non-deposit taking non-banking financial company. The equity shares of the Company are listed on the Stock Exchanges. The Company is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and retail customers.

The Company appointed Valuer has arrived at a swap ratio of 139 equity shares of face value Rs 10 (Rupees ten) per equity share of IDFC Bank for every 10 equity shares of face value of Rs 10 (Rupees ten) per equity share of the Company held by persons whose names are recorded in the register of members as a member of the Company on the Record Date **("Share Exchange Ratio")**. The Company in terms of the Engagement Letter requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Exchange Ratio ("**Fairness Opinion**") as per the requirements of the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018 (together referred to as "**SEBI Circular**").

VK

All terms not specifically defined in this Fairness Opinion shall carry the same meaning as in the Proposed Scheme.

Brief Background of the Proposed Scheme

Under the Proposed Merger, the Company will be amalgamated with IDFC Bank. Equity shares of the Amalgamated Company shall be issued to the shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio, pursuant to Section 230 – 232, and other relevant provisions of the Companies Act and in the manner provided for in this Proposed Scheme. Consequently, the Amalgamating Company will be dissolved without winding up.

As per the Proposed Scheme, the Proposed Merger is expected to result, *inter alia*, in following benefits:

- Leveraging of the significant complementarities that exist between the Amalgamating Company and the Amalgamated Company; and
- Creating meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme; and
3. Necessary explanations and information from the representatives of the Company.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Company or IDFC Bank and neither expresses any opinion with respect thereto nor accept any responsibility therefore. We have simply accepted the title verification of the properties provided to us on as "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end . We have not made any independent valuation or appraisal of the assets or liabilities of the Company or IDFC Bank, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company or IDFC Bank on an "as is" basis for the purposes of this Fairness Opinion except for the information explicitly provided to us. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or

other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company or IDFC Bank.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as, providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of the Company or IDFC Bank will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company or IDFC Bank following the consummation of the Proposed Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in the Company or any of its related parties (holding company / subsidiary /associates etc).

Conclusion

Based on our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio is fair for the shareholders of the Company.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law tribunal along with the petition for the Proposed Scheme and such other applicable regulatory authorities under SEBI Circular and/ or the Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law in which case you would provide us a prior written intimation and take our prior written consent for it. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. In no circumstances however, will JM Financial or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For **JM Financial Institutional Securities Limited**

Authorized Signatory

DCS/AMAL/SV/R37/1150/2018-19 May 25, 2018

The Company Secretary
IDFC Bank Limited
KRM Towers, 7th floor, No 1,
Harrington Road, Chetpet,
Chennai- 600031, Tamil Nadu

Sir,

Sub: Observation letter regarding the Draft Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited.

We are in receipt of Draft Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 25, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Sr. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/15290

May 25, 2018

The Company Secretary & Chief Compliance Officer
IDFC Bank Limited
Naman Chambers,
C-32, G-Block,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

Kind Attn.: Mr. Mahendra N. Shah

Dear Sir,

Sub: **Observation Letter for Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors.**

We are in receipt of the draft Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors, filed by IDFC Bank Limited vide application dated February 20, 2018.

Based on our letter reference no Ref: NSE/LIST/46469 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated May 25, 2018, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circulars.*

c. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

This Document is Digitally Signed

Signer: Hiren Narendra Shah
Date: Fri, May 25, 2018 18:19:05 IST
Location: NSE

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 25, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Hiren Shah
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed
Signer: Hiren Narendra Shah
Date: Fri, May 25, 2018 18:19:05 IST
Location: NSE

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Cor NSE E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

March 19, 2018

The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla-Complex,
Bandra (East), Mumbai - 400 051

NSE Scrip Code: IDFCBANK

The Manager - Listing Department
BSE Limited
1st Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 539437

Dear Sir / Madam,

Subject : Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed composite scheme of amalgamation ("Scheme") of Capital First Limited ("Amalgamating Company 1"), Capital First Home Finance Limited ("Amalgamating Company 2") and Capital First Securities Limited ("Amalgamating Company 3") (collectively referred to as the "Amalgamating Companies") with IDFC Bank Limited ("Amalgamated Company") and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Amalgamation")

With reference to our application dated February 19, 2018 on the captioned subject, please find enclosed the complaint report for the period from February 20, 2018 to March 16, 2018, in the prescribed format for your necessary action.

We wish to confirm that IDFC Bank Limited has not received any complaints/ comments directly or forwarded to it by the stock exchange(s) / Securities & Exchange Board of India pertaining to the Scheme.

We have also uploaded the Complaints Report on our website under the link:

https://www.idfcbank.com/investor-relations/merger.html

Request you to upload the same on your website as well.

Kindly take the above on record and oblige.

Thanking you,

Yours sincerely,
For **IDFC Bank Limited**

IDFC BANK LIMITED MUMBAI

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

Encl: as above

IDFC Bank Limited
Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Tel: + 91 22 4222 2000/ 6147 8383
Registered Office: KRM Towers, 7th Floor, No.1, Harrington Road, Chetpet, Chennai 600 031 Tel: + 91 44 4564 4000 Fax: + 91 44 4564 4022
CIN: L65110TN2014PLC097792 bank.info@idfcbank.com www.idfcbank.com

IDFC Bank Limited

Complaints Report pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total Number of complaints / comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
N.A			

For **IDFC Bank Limited,**

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013, ADOPTED BY THE BOARD OF DIRECTORS OF IDFC BANK LIMITED AT ITS MEETING HELD ON JANUARY 13, 2018 AT TAJ FALAKNUMA PALACE, ENGINE BOWLI, FATIMA NAGAR, FALAKNUMA, HYDERABAD, TELANGANA - 500 053, EXPLAINING THE EEFECT OF THE COMPOSITE SCHEME OF AMALGAMATION ON THE SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF IDFC BANK LIMITED.

1. The Board of Directors ('Board') of IDFC Bank Limited ('Amalgamated Company') at its meeting held on January 13, 2018 approved a draft of the proposed Composite Scheme of Amalgamation of Capital First Limited ('Amalgamating Company 1') and Capital First Home Finance Limited ('Amalgamating Company 2') and Capital First Securities Limited ('Amalgamating Company 3') with the Amalgamated Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme'). The Scheme was also approved by the Audit Committee of the Amalgamated Company at its meeting held on January 13, 2018. The Scheme is subject to the requisite approval of the Reserve Bank of India, Competition Commission of India, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India, the National Company Law Tribunal, Shareholders and Creditors and other regulatory approvals.

   While deliberating on the Scheme, the Board had *inter alia* considered the following:

   a. The draft Implementation Agreement to be entered into between the Amalgamating Company 1 and the Amalgamated Company;

   b. The Legal and Financial Due Diligence reports provided by the legal (AZB & Partners) and financial advisors (Ernst & Young LLP) of the Amalgamated Company;

   c. The Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Amalgamated Company;

   d. The Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited;

   e. Draft certificate issued by Deloitte Haskins & Sells, the Statutory Auditors of the Amalgamated Company, confirming the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Companies Act, 2013, pursuant to paragraph I.A.5 of Annexure I of the SEBI Circular;

   f. Draft of the undertaking to be provided by the Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraphs I.A.9 (a) and (b) of Annexure I of the SEBI Circular; and

   g. Draft undertaking by Deloitte Haskins & Sells, the Statutory Auditors of the Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraph I.A.9 (a) and (b) of Annexure I of the SEBI Circular.

   h. Copy of Audit Committee report dated January 13, 2018 recommending the Scheme.

   After considering the documents referred above, the Board approved the Implementation Agreement and the Scheme.

2. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, is required to be circulated to the members or class of members and creditors or class of creditors, as the case may be, for the meeting of the members or class of members or creditors or class of creditors, as the case may be, along with the notice convening such meeting.

   Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board at its meeting held on January 13, 2018 took on record the following impact of the Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders of the Amalgamated Company. In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Amalgamated Company, its shareholders, creditors and other stakeholders for the reasons set out in the rationale of the Scheme and that the terms thereof are fair and reasonable.

Effect of the Scheme on Shareholders (Promoter and Non-Promoter Shareholders) of the Amalgamated Company:

a. In connection with the effect of the Scheme on the Shareholders of the Amalgamated Company, the equity shares of the Amalgamated Company as on the Record Date shall be issued to the eligible shareholders of the Amalgamating Company 1, as per the Share Exchange Ratio. This will result in an expanded capital base for the Amalgamated Company.

b. The proposed Scheme does not entitle the Promoter/Promoter Group and the related parties, associates and subsidiaries of the Promoter/Promoter Group of the Amalgamated Company to any additional shares.

c. Further, none of the shareholders of the Amalgamating Company 1, including the existing Promoters, will be considered to be the Promoters or form a part of the Promoter Group of the Amalgamated Company upon the effectiveness of the Scheme. As far as the existing Promoter of the Amalgamated Company is concerned, it would continue to remain the Promoter of the Amalgamated Company.

d. Pursuant to the issue of equity shares of the Amalgamated Company to the shareholders of Amalgamating Company 1, the equity stake of IDFC Financial Holding Company Limited ('IDFC FHCL'), Promoter of the Amalgamated Company, will reduce from current ~53% to ~37%.

e. However, in compliance with the RBI Guidelines for licensing of new banks in the private sector dated February 22, 2013, IDFC FHCL will enhance its shareholding, such that upon the effectiveness of the Scheme it holds 40% of the paid up equity capital of the Amalgamated Company.

Effect of the Scheme on Directors and Key Managerial Personnel ('KMP') of the Amalgamated Company:

a. The Directors and KMP of the Amalgamated Company or their relatives do not have any interest in the Scheme, financially or otherwise, except as shareholders, where applicable. The effect of the Scheme on the interests of the Directors and KMP and their relatives holding shares in the companies which are parties to the Scheme is not any different from the effect of the Scheme on other shareholders of the companies involved.

b. The Scheme envisages a reconstitution of the Board of Directors of the Amalgamated Company to provide for 12 members as follows, it being clarified that the full composition of the reconstituted board will be finalized between the parties expeditiously and in any event prior to the effectiveness of the Scheme:

- Dr. Rajiv B. Lall shall be appointed as the Non-Executive Chairperson of the Amalgamated Company;
- Mr. V. Vaidyanathan shall be appointed as the Managing Director and Chief Executive Officer of the Amalgamated Company;
- The Amalgamated Company Board and the Amalgamating Company 1 Board shall be equally represented on the reconstituted board of the Amalgamated Company;
- The reconstituted board of the Amalgamated Company shall have a minimum of 7 independent directors.

Valuation:

As per the Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer, the share exchange ratio shall be as follows:

139 fully paid-up equity shares of the Amalgamated Company, each having face value of Rs. 10, credited as fully paid-up, for every 10 fully paid-up equity shares having face value of Rs. 10 held by a member in the Amalgamating Company 1.

There is no mention in the valuation report of any special difficulties faced in the valuation.

For and on behalf of the Board of Directors of IDFC Bank Limited

IDFC BANK LTD.

Rajiv B. Lall
Founder Managing Director & CEO

Place: Hyderabad
Date: January 13, 2018

REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF CAPITAL FIRST LIMITED AT ITS MEETING HELD ON MAY 04, 2018 AT BOARD ROOM, ONE INDIABULLS CENTRE, TOWER 2A & 2B, 10TH FLOOR, SENAPATI BAPAT MARG, LOWER PAREL (WEST), MUMBAI 400 013 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION ON THE SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF CAPITAL FIRST LIMITED.

1. **Background:**

1.1. The board of directors ("**Board**") of Capital First Limited ("**Amalgamating Company**") at its board meeting held on January 13, 2018 has approved the draft of the composite scheme of amalgamation between the Amalgamating Company, its wholly owned subsidiaries, Capital First Home Finance Limited and Capital First Securities Limited, and IDFC Bank Limited ("**Amalgamated Company**") and their respective shareholders and creditors ("**Scheme**") in accordance with Sections 230 and 232 of the Companies Act, 2013 and the rules made thereunder. The Scheme is subject to the requisite approvals of the Reserve Bank of India, BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**"), Securities and Exchange Board of India and the National Company Law Tribunal. The approval of the National Housing Board and the Competition Commission of India has already been received on February 16, 2018 and March 8, 2018 respectively.

1.2. While deliberating on the Scheme, the Board of the Company had *inter alia* considered the following:

1.2.1. Draft Scheme;

1.2.2. Valuation report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, chartered accountants, recommending the share exchange ratio for issuance of equity shares by the Amalgamated Company to the shareholders of the Amalgamating Company;

1.2.3. Fairness opinion dated January 13, 2018 from JM Financial Institutional Securities Limited, merchant banker, certifying that the valuation report issued by the valuer is fair and reasonable; and

1.2.4. Certificate dated January 13, 2018 issued by B S R & Co. LLP, statutory auditors, certifying that the accounting treatment contained in the Scheme is in compliance with all the accounting standards specified by the Central Government under the Companies Act, 2013 read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered

Accountants of India, as applicable, and other generally accepted accounting principles.

1.3. After considering the documents referred above, the Board approved the draft Scheme.

1.4. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the merging companies explaining the effect of the compromise on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties, is required to be circulated to the members or class of members and creditors or class of creditors, as the case may be, for the meeting of the members or class of members or creditors or class of creditors, as the case may be, along with the notice convening such meeting.

1.5. Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board at its meeting held on May 04, 2018 took on record the following impact of the Scheme on the shareholders, KMPs, promoters and non-promoter shareholders of the Amalgamating Company. In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Amalgamating Company, its shareholders and other stakeholders for the reasons set out in the rationale of the Scheme and the terms thereof are fair and reasonable.

2. Valuation:

2.1. As per valuation report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, chartered accountants, and the Scheme, the share exchange ratio shall be as follows:

For every 10 fully paid up equity shares of face value of INR 10 each held in the Amalgamating Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Amalgamating Company shall be issued 139 equity shares of face value of INR 10 each credited as fully paid up in the Amalgamated Company.

2.2. There is no mention in the valuation report of any special difficulties faced in the valuation.

3. Effect of the Scheme on Shareholders (Promoter and Non-Promoter Shareholders) of the Amalgamating Company:

3.1. In connection with the effect of the Scheme on the shareholders of the Amalgamating Company, the equity shareholders of the Amalgamating Company as on the Record Date

shall be eligible to be issued equity shares of the Amalgamated Company in accordance with the share exchange ratio.

3.2. Post the Scheme becoming effective and allotment of shares by the Amalgamated Company as mentioned above, the rights and interests of the shareholders of the Amalgamating Company shall not be affected. Further, the shares of the Amalgamated Company issued to the shareholders will be listed on BSE and NSE.

3.3. The proposed Scheme does not entitle the promoter/promoter group and the related parties, associates and subsidiaries of the promoter/promoter group of the Amalgamating Company to any additional shares.

3.4. Further, none of the shareholders of the Amalgamating Company, including the existing promoters, will be considered to be the promoters or form a part of the promoter group of the Amalgamated Company upon the effectiveness of the Scheme. As far as the existing promoters of the Amalgamated Company are concerned, they would continue to remain the promoters of the Amalgamated Company.

4. **Effect of the Scheme on Directors and KMPs of the Amalgamating Company:**

4.1. The directors or KMPs of the Amalgamating Company or their relatives do not have any interest in the Scheme, financially or otherwise, except that as shareholders, where applicable. The effect of the Scheme on the interests of the directors and KMPs and their relatives holding shares in the companies which are parties to the Scheme is not any different from the effect of the Scheme on other shareholders of the companies.

4.2. The Scheme envisages a reconstitution of the board of directors of the Amalgamated Company to provide for up to 12 members as follows, it being clarified that the full composition of the reconstituted board will be finalized between the parties expeditiously and in any event prior to the effectiveness of the Scheme:

4.2.1. Dr. Rajiv B. Lall, as the non-executive chairperson of the board;

4.2.2. Mr. V. Vaidyanathan, as the managing director and chief executive officer;

4.2.3. the board of directors of the Amalgamated Company and the Amalgamating Company shall be equally represented on the reconstituted board; and

4.2.4. the reconstituted board shall have 7 independent directors.

4.3. Save as aforesaid, none of the directors or KMPs of the Amalgamating Company have any material interest in the Scheme.

For and on behalf of the Board of Directors of Capital First Limited

Name: V. Vaidyanathan
Designation: Chairman & Managing Director
DIN: 00082596
Place: Mumbai
Date: May 04, 2018

REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF CAPITAL FIRST HOME FINANCE LIMITED AT ITS MEETING HELD ON HELD ON MAY 03, 2018 AT BOARD ROOM, ONE INDIABULLS CENTRE, TOWER 2A & 2B, 10TH FLOOR, SENAPATI BAPAT MARG, LOWER PAREL (WEST), MUMBAI 400 013 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION ON THE SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF CAPITAL FIRST HOME FINANCE LIMITED.

1. **Background**:

1.1. The board of directors ("**Board**") of [Capital First Home Finance Limited] ("**Amalgamating Company**") at its board meeting held on January 13, 2018 has approved the draft of the composite scheme of amalgamation between the Amalgamating Company, Capital First Limited ("**Amalgamating Company 1**"), [Capital First Securities Limited] and IDFC Bank Limited ("**Amalgamated Company**") and their respective shareholders and creditors ("**Scheme**") in accordance with Sections 230 and 232 of the Companies Act, 2013 and the rules made thereunder. The Scheme is subject to the requisite approvals of the Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and the National Company Law Tribunal. The approval of the National Housing Board and the Competition Commission of India has already been received on February 16, 2018 and March 8, 2018 respectively.

1.2. While deliberating on the Scheme, the Board of the Company had *inter alia* considered the following:

1.2.1. Draft Scheme;

1.2.2. Valuation report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, chartered accountants, recommending the share exchange ratio for issuance of equity shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1; and

1.2.3. Fairness opinion dated January 13, 2018 from JM Financial Institutional Securities Limited, merchant banker, certifying that the valuation report issued by the valuer is fair and reasonable.

1.3. After considering the documents referred above, the Board approved the draft Scheme.

1.4. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors

of the merging companies explaining the effect of the compromise on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties, is required to be circulated to the members or class of members and creditors or class of creditors, as the case may be, for the meeting of the members or class of members or creditors or class of creditors, as the case may be, along with the notice convening such meeting.

1.5. Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board at its meeting held on May 03, 2018 took on record the following impact of the Scheme on the shareholders, KMPs, promoters and non-promoter shareholders of the Amalgamating Company. In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Amalgamating Company, its shareholders and other stakeholders for the reasons set out in the rationale of the Scheme and the terms thereof are fair and reasonable.

2. Valuation:

2.1. As per the valuation report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, chartered accountants, and the Scheme, the share exchange ratio shall be as follows:

For every 10 fully paid up equity shares of face value of INR 10 each held in the Amalgamating Company 1 as on the Record Date (as defined in the Scheme), the equity shareholders of the Amalgamating Company 1 shall be issued 139 equity shares of face value of INR 10 each credited as fully paid up in the Amalgamated Company.

2.2. There is no mention in the valuation report of any special difficulties faced in the valuation.

3. Effect of the Scheme on Shareholders (Promoter and Non-Promoter Shareholders) of the Amalgamating Company:

3.1. The entire share capital of the Amalgamating Company is held by the Amalgamating Company 1. Hence, upon the effectiveness of the Scheme, firstly, the equity shareholders of the Amalgamating Company 1 as on the Record Date shall be issued equity shares of the Amalgamated Company making the Amalgamating Company a wholly owned subsidiary of the Amalgamated Company, and consequent to the same, all the shares held by the Amalgamated Company in the Amalgamating Company shall stand cancelled. In lieu thereof, no allotment of any new shares or any payment shall be made to any person whatsoever.

3.2. As there is no issue of any new shares of the Amalgamated Company, the change in the pre and post Scheme shareholding patterns and capital structure of the Amalgamating Company shall be only to the extent that its parent company changes from the Amalgamating Company 1 to the Amalgamated Company. As far as the equity shareholders of the Amalgamating Company 1 are concerned, the rights and interests of the shareholders of the Amalgamating Company 1 shall not be affected by the Scheme.

3.3. The proposed Scheme does not entitle the promoter/promoter group and the related parties, associates and subsidiaries of the promoter/promoter group of the Amalgamating Company to any additional shares.

4. **Effect of the Scheme on Directors and KMPs of the Amalgamating Company:**

4.1. The directors or KMPs of the Amalgamating Company or their relatives do not have any interest in the Scheme, financially or otherwise, except that as shareholders of the Amalgamating Company 1, where applicable. The effect of the Scheme on the interests of the directors and KMPs and their relatives holding shares in the companies which are parties to the Scheme is not any different from the effect of the Scheme on other shareholders of the companies.

For and on behalf of the Board of Directors of Capital First Home Finance Limited

Name: V. Vaidyanathan
Designation: Director
DIN: 00082596
Place: Mumbai
Date: May 03, 2018

CAPITAL FIRST HOME FINANCE LIMITED

REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF CAPITAL FIRST SECURITIES LIMITED AT ITS MEETING HELD ON APRIL 28, 2018 AT NO. 39, AMARAVATHY NAGAR, ARUMBAKKAM S.O., CHENNAI, 600 106, TAMIL NADU, INDIA EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION ON THE SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF CAPITAL FIRST SECURITIES LIMITED.

1. **Background**:

1.1. The board of directors ("**Board**") of Capital First Securities Limited ("**Amalgamating Company**") at its board meeting held on January 13, 2018 has approved the draft of the composite scheme of amalgamation between the Amalgamating Company, Capital First Limited ("**Amalgamating Company 1**"), Capital First Home Finance Limited and IDFC Bank Limited ("**Amalgamated Company**") and their respective shareholders and creditors ("**Scheme**") in accordance with Sections 230 and 232 of the Companies Act, 2013 and the rules made thereunder. The Scheme is subject to the requisite approvals of the Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and the National Company Law Tribunal. The approval of the National Housing Board and the Competition Commission of India has already been received on February 16, 2018 and March 8, 2018 respectively.

1.2. While deliberating on the Scheme, the Board of the Company had *inter alia* considered the following:

1.2.1. Draft Scheme;

1.2.2. Valuation report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, chartered accountants, recommending the share exchange ratio for issuance of equity shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1; and

1.2.3. Fairness opinion dated January 13, 2018 from JM Financial Institutional Securities Limited, merchant banker, certifying that the valuation report issued by the valuer is fair and reasonable.

1.3. After considering the documents referred above, the Board approved the draft Scheme.



1.4. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the merging companies explaining the effect of the compromise on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties, is required to be circulated to the members or class of members and creditors or class of creditors, as the case may be, for the meeting of the members or class of members or creditors or class of creditors, as the case may be, along with the notice convening such meeting.

1.5. Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board at its meeting held on April 28, 2018 took on record the following impact of the Scheme on the shareholders, KMPs, promoters and non-promoter shareholders of the Amalgamating Company. In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Amalgamating Company, its shareholders and other stakeholders for the reasons set out in the rationale of the Scheme and the terms thereof are fair and reasonable.

2. Valuation:

2.1. As per the valuation report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, chartered accountants, and the Scheme, the share exchange ratio shall be as follows:

For every 10 fully paid up equity shares of face value of INR 10 each held in the Amalgamating Company 1 as on the Record Date (as defined in the Scheme), the equity shareholders of the Amalgamating Company 1 shall be issued 139 equity shares of face value of INR 10 each credited as fully paid up in the Amalgamated Company.

2.2. There is no mention in the valuation report of any special difficulties faced in the valuation.

3. Effect of the Scheme on Shareholders (Promoter and Non-Promoter Shareholders) of the Amalgamating Company:

3.1. The entire share capital of the Amalgamating Company is held by the Amalgamating Company 1. Hence, upon the effectiveness of the Scheme, firstly, the equity

shareholders of the Amalgamating Company 1 as on the Record Date shall be issued equity shares of the Amalgamated Company making the Amalgamating Company a wholly owned subsidiary of the Amalgamated Company, and consequent to the same, all the shares held by the Amalgamated Company in the Amalgamating Company shall stand cancelled. In lieu thereof, no allotment of any new shares or any payment shall be made to any person whatsoever.

3.2. As there is no issue of any new shares of the Amalgamated Company, the change in the pre and post Scheme shareholding patterns and capital structure of the Amalgamating Company shall be only to the extent that its parent company changes from the Amalgamating Company 1 to the Amalgamated Company. As far as the equity shareholders of the Amalgamating Company 1 are concerned, the rights and interests of the shareholders of the Amalgamating Company 1 shall not be affected by the Scheme.

3.3. The proposed Scheme does not entitle the promoter/promoter group and the related parties, associates and subsidiaries of the promoter/promoter group of the Amalgamating Company to any additional shares.

4. **Effect of the Scheme on Directors and KMPs of the Amalgamating Company:**

4.1. The directors or KMPs of the Amalgamating Company or their relatives do not have any interest in the Scheme, financially or otherwise, except that as shareholders of the Amalgamating Company 1, where applicable. The effect of the Scheme on the interests of the directors and KMPs and their relatives holding shares in the companies which are parties to the Scheme is not any different from the effect of the Scheme on other shareholders of the companies.

For and on behalf of the Board of Directors of Capital First Securities Limited

CAPITAL FIRST SECURITIES LIMITED

Name: Anand Rai
Designation: Managing Director
DIN: 07019167

Place: Chennai
Date: April 28, 2018

Deloitte Haskins & Sells

Chartered Accountants
19th floor, Shapath - V,
S G Highway,
Ahmedabad - 380 015,
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDFC BANK LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **IDFC BANK LIMITED** (the "Bank") for the year ended 31 March, 2018 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the matters in Note 11 of the Statement.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related financial statements for the year ended 31 March, 2018, which are prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, in so far as applicable to banks, other accounting principles generally accepted in India and the Guidelines issued by the Reserve Bank of India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and



(ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year ended 31 March, 2018.

5. The Statement includes the results for the quarter ended 31 March, 2018 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 24 April, 2018

IDFC

IDFC Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu

CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the year ended March 31, 2018 (Standalone)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2018 (refer note 13)	Quarter ended 31.12.2017	Quarter ended 31.03.2017 (refer note 13)	Year ended 31.03.2018	Year ended 31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	228130.18	228371.92	222337.74	893000.46	853271.45
	(a) Interest / discount on advances / bills	114018.17	122292.72	127351.56	472294.52	508841.82
	(b) Income on investments	106782.44	102785.55	90607.97	404130.69	328878.22
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	344.22	243.95	2191.80	827.41	5721.37
	(d) Others	6985.35	3049.70	2186.41	15747.84	9830.04
2	Other Income (refer note 6)	9304.63	23078.68	5627.35	111789.27	101311.56
3	TOTAL INCOME (1+2)	237434.81	251450.60	227965.09	1004789.73	954583.01
4	Interest Expended	182806.93	178875.57	172129.95	713190.74	651539.43
5	Operating Expenses (i)+(ii)+(iii)+(iv)	48988.83	41102.79	29810.41	165259.43	127697.64
	(i) Employees cost	18114.40	17140.46	9480.13	67597.49	57362.20
	(ii) Depreciation on bank's property	4351.57	4062.45	3664.70	16348.49	13434.42
	(iii) Professional fees	4286.68	4126.55	3803.87	15472.50	14083.15
	(iv) Other operating expenses	22236.18	15773.33	12861.71	65840.95	42817.87
6	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	231795.76	219978.36	201940.36	878450.17	779237.07
7	Operating Profit (3-6) (Profit Before Provisions and Contingencies)	5639.05	31472.24	26024.73	126339.56	175345.94
8	Provisions (other than tax) and Contingencies (Net)	24245.98	10860.79	479.66	23609.57	28250.38
9	Exceptional Items	-	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	(18606.93)	20611.45	25545.07	102729.99	147095.56
11	Tax Expense (refer note 7)	(22800.34)	6000.00	7950.01	16799.66	45121.78
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	4193.41	14611.45	17595.06	85930.33	101973.78
13	Extraordinary Items (Net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	4193.41	14611.45	17595.06	85930.33	101973.78
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 8)	340407.49	340267.61	339900.62	340407.49	339900.62
16	Reserves excluding Revaluation Reserves				1185246.35	1127904.28
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	7.68%	7.68%	7.69%	7.68%	7.69%
	(ii) Capital adequacy ratio (Basel III) (refer note 9)	18.00%	19.15%	18.90%	18.00%	18.90%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 8)					
	- Basic (₹)	0.12	0.43	0.52	2.53	3.00
	- Diluted (₹)	0.12	0.43	0.51	2.52	2.98
	(iv) NPA ratios (refer note 2 & 10)					
	(a) Amount of gross NPAs	177906.20	277666.80	154210.14	177906.20	154210.14
	(b) Amount of net NPAs	89115.77	120627.99	57647.24	89115.77	57647.24
	(c) % of gross NPAs to gross advances	3.31%	5.62%	2.99%	3.31%	2.99%
	(d) % of net NPAs to net advances	1.69%	2.52%	1.14%	1.69%	1.14%
	(v) Return on assets (annualized)	0.14%	0.49%	0.63%	0.72%	1.04%

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

IDFC

Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2018 (refer note 13)	Quarter ended 31.12.2017	Quarter ended 31.03.2017 (refer note 13)	Year ended 31.03.2018	Year ended 31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue					
	a Treasury	147732.37	157319.25	151062.72	648677.46	675299.79
	b Wholesale Banking	94219.50	113893.73	122758.72	435858.18	514464.06
	c Retail Banking	28459.47	20132.10	10109.98	78846.04	24190.27
	d Other Banking Business	318.69	248.74	86.52	803.63	115.18
	e Unallocated	4036.11	(95.85)	(45.44)	4117.58	335.92
	Total Segment Revenue	274766.14	291497.97	283972.50	1168302.89	1214405.22
	Add/(Less) : Inter Segment Revenue	(37331.33)	(40047.37)	(56007.41)	(163513.16)	(259822.21)
	Income from Operations	237434.81	251450.60	227965.09	1004789.73	954583.01
2	Segment Results After Provisions & Before Tax					
	a Treasury	18629.50	5971.02	(6053.74)	104881.81	78196.33
	b Wholesale Banking	(12249.45)	36844.81	47896.66	83475.94	142688.03
	c Retail Banking	(11326.03)	(8813.39)	(7105.19)	(33569.31)	(34024.44)
	d Other Banking Business	49.34	(25.71)	86.52	(211.36)	115.18
	e Unallocated	(13710.29)	(13365.28)	(9279.18)	(51847.09)	(39879.54)
	Total Profit Before Tax	(18606.93)	20611.45	25545.07	102729.99	147095.56
3	Segment Assets					
	a Treasury	6947360.77	6663228.70	5827057.11	6947360.77	5827057.11
	b Wholesale Banking	4532599.05	4216584.56	4765873.54	4532599.05	4765873.54
	c Retail Banking	913955.02	716513.60	375600.45	913955.02	375600.45
	d Other Banking Business	709.11	490.87	115.18	709.11	115.18
	e Unallocated	257393.93	223092.30	247319.53	257393.93	247319.53
	Total Segment Assets	12652017.88	11819910.03	11215965.81	12652017.88	11215965.81
4	Segment Liabilities					
	a Treasury	5891889.51	5597537.43	4946422.67	5891889.51	4946422.67
	b Wholesale Banking	4345150.20	4028279.63	4419976.85	4345150.20	4419976.85
	c Retail Banking	876006.93	661254.36	373779.51	876006.93	373779.51
	d Other Banking Business	211.36	260.70	-	211.36	-
	e Unallocated	13106.04	11780.37	7981.88	13106.04	7981.88
	Total Segment Liabilities	11126364.04	10299112.49	9748160.91	11126364.04	9748160.91
5	Capital Employed (Segment Assets - Segment Liabilities)	1525653.84	1520797.54	1467804.90	1525653.84	1467804.90

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India ('the RBI').

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

IDFC

Notes:

1 Statement of Assets and Liabilities of the Bank as at March 31, 2018 and March 31, 2017 is given below :

(₹ in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
CAPITAL AND LIABILITIES		
Capital	340407.49	339900.62
Employees' stock options outstanding	-	107.14
Reserves and surplus	1185246.35	1127797.14
Deposits	4819820.25	4020822.46
Borrowings	5728706.54	5026218.57
Other liabilities and provisions	577837.25	701119.88
TOTAL	12652017.88	11215965.81
ASSETS		
Cash and balances with Reserve Bank of India	305085.56	303629.08
Balances with banks and money at call and short notice	184094.18	206570.63
Investments	6120153.42	5047169.61
Advances	5216488.81	4940168.32
Fixed Assets	78413.07	78655.15
Other Assets	747782.84	639773.02
TOTAL	12652017.88	11215965.81

2 In terms of SEBI circular no. CIR/CFD/CMD/80/2017 dated July 18, 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process. The following table sets forth, details of divergence in the asset classification and provisioning as per RBI's supervisory process for the year ended March 31, 2017.

(₹ in lakhs)

	Particulars	As at 31.03.2017
1	Gross NPAs as on March 31, 2017 as reported by the bank	154210.14
2	Gross NPAs as on March 31, 2017 as assessed by RBI	181279.78
3	Divergence in Gross NPAs (2-1)	27069.64
4	Net NPAs as on March 31, 2017 as reported by the bank	57647.24
5	Net NPAs as on March 31, 2017 as assessed by RBI	77949.47
6	Divergence in Net NPAs (5-4)	20302.23
7	Provisions for NPAs as on March 31, 2017 as reported by the bank *	108212.90
8	Provisions for NPAs as on March 31, 2017 as assessed by RBI	103330.31
9	Divergence in provisioning (8-7)	-
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	101973.78
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	101973.78

* Provision for NPAs as reported by the Bank is adjusted to include a specific provision of ₹116.50 crore as on March 31, 2017 held against a particular asset identified by RBI for divergence in the current financial year. The said provision was made in earlier years in line with the Bank's provisioning policy and was in **excess** of the provision assessed by RBI. **Accordingly, there is no divergence in provisioning and no impact on Profit After Tax for the year ended March 31, 2017 due to divergence.**

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

3 The above results were reviewed by the Audit Committee on April 23, 2018 and approved by the Board of Directors on April 24, 2018. There are no qualifications in the auditor's report for the year ended March 31, 2018. The information presented above is extracted from the audited financial statements.

4 The above financial results of the Bank have been prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as specified under Section 133 of the Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to Banks, and the guidelines issued by the RBI. In addition, the Bank has automated its key operations with the key applications largely integrated with the core banking solutions and general ledger system. Accordingly, branch returns are not required to be submitted.

5 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. The proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

6 "Other Income" includes non-fund based income such as commission, fees, earnings from foreign exchange and derivative transactions and profit / (loss) from sale of investments. Other income for the year ended March 31, 2018 includes profit on sale of investments in the 'Held to Maturity (HTM)' category of ₹ 410.17 crore (Previous Year ₹ 10.96 crore). Profit on sale of investments in the HTM category (net of applicable taxes and statutory reserves) of ₹ 202 crore (Previous Year ₹ 5.50 crore) is appropriated to Capital Reserve in accordance with the RBI guidelines.

7 During the quarter ended March 31, 2018, the Bank received favourable income tax orders relating to matter under scrutiny by tax department, which has resulted in write-back of tax provision for earlier years of ₹ 62.57 crore (Previous Year ₹ 1.28 crore) and has remeasured the deferred tax assets at applicable tax rates, which resulted in tax credit of ₹ 77.43 crore (Previous Year Nil).

8 During the quarter and year ended March 31, 2018, the Bank has issued 1398777 and 5068721 equity shares respectively of face value of ₹10 each pursuant to the exercise of options under the Employee Stock Option Scheme.

9 The Board of Directors has proposed a dividend of ₹ 0.75 per share (7.50%) [(Previous Year ₹ 0.75 per share) (7.50%)] for the year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting. Capital adequacy ratio as at March 31, 2018 is after considering the impact of proposed dividend for FY 2017-18. Capital adequacy ratio after considering the impact of proposed dividend for FY 2016-17 was 18.51% as at March 31, 2017.

10 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.

11 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC. 80/21/21.06.201/ 2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : http://www.idfcbank.com/regulatory-disclosures.html. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.

12 The Bank has not spread provisioning for mark to market (MTM) losses on investment held in AFS and HFT category for the quarters ended December 31, 2017 and March 31, 2018, though allowed by RBI vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 with a view to address the systemic impact of sharp increase in yields of Government Securities.

13 The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year which was subject to limited review.

14 The figures for the previous quarter / period have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Date: April 24, 2018
Place: Mumbai

For and behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO

IDFC BANK LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedule No.	As at March 31, 2018 (₹ in Thousands)	As at March 31, 2017 (₹ in Thousands)
CAPITAL AND LIABILITIES			
Capital	1	**34,040,749**	33,990,062
Employees' stock options outstanding	1a	**-**	10,714
Reserves and surplus	2	**118,524,635**	112,779,714
Deposits	3	**481,982,025**	402,082,246
Borrowings	4	**572,870,654**	502,621,857
Other liabilities and provisions	5	**57,783,725**	70,111,988
TOTAL		**1,265,201,788**	1,121,596,581
ASSETS			
Cash and balances with Reserve Bank of India	6	**30,508,556**	30,362,908
Balances with banks and money at call and short notice	7	**18,409,418**	20,657,063
Investments	8	**612,015,342**	504,716,961
Advances	9	**521,648,881**	494,016,832
Fixed assets	10	**7,841,307**	7,865,515
Other assets	11	**74,778,284**	63,977,302
TOTAL		**1,265,201,788**	1,121,596,581
Contingent liabilities	12	**2,156,898,781**	2,036,112,298
Bills for collection		**-**	-
Significant accounting policies and notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
I	**INCOME**			
	Interest earned	13	**89,300,046**	85,327,145
	Other income	14	**11,178,927**	10,131,156
	TOTAL		**100,478,973**	95,458,301
II	**EXPENDITURE**			
	Interest expended	15	**71,319,074**	65,153,943
	Operating expenses	16	**16,525,943**	12,769,764
	Provisions and contingencies	18.30	**4,040,923**	7,337,216
	TOTAL		**91,885,940**	85,260,923
III	**NET PROFIT FOR THE YEAR (I-II)**		**8,593,033**	10,197,378
	Balance in profit and loss account brought forward from previous year		**16,465,871**	12,129,256
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**25,058,904**	22,326,634
V	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.32	**2,150,000**	2,550,000
	Transfer (from) / to investment reserve	18.32	**(5,500)**	5,500
	Transfer to capital reserve	18.32	**2,020,000**	55,000
	Transfer to special reserve	18.32	**750,000**	3,250,000
	Dividend paid (includes tax on dividend)	18.54	**3,047,753**	263
	Balance in profit and loss account carried forward		**17,096,651**	16,465,871
	TOTAL		**25,058,904**	22,326,634
VI	**EARNINGS PER EQUITY SHARE**	18.47		
	(Face value ₹ 10 per share)			
	Basic (₹)		**2.53**	3.00
	Diluted (₹)		**2.52**	2.98

Significant accounting policies and notes to accounts 17 & 18

The schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
A	**Cash flow from operating activities**			
	Net profit before taxes		10,272,999	14,709,555
	Adjustments for :			
	Depreciation on fixed assets	16 (V)	1,634,849	1,343,442
	Provision for / (release of) depreciation in value of investments	18.30	(956,000)	1,569,048
	Amortisation of premium on held to maturity investments		1,135,794	293,121
	Write back of provision for non performing advances	18.30	(5,796,120)	(10,623,023)
	Additional / (write back) of specific provisions	18.30	(1,085,200)	220,565
	Provision on unhedged foreign currency exposure	18.30	53,000	12,094
	Loss on sale of fixed assets (net)	14 (IV)	10,875	53,527
	Write back of provision for restructured assets	18.30	(400)	(5,175,600)
	Bad-debts including technical / prudential write off	18.30	9,978,783	18,405
	Provision for standard assets	18.30	42,824	(309,240)
	Loss on sale of loans to ARC	18.30	-	17,111,999
	Other provisions and contingencies	18.30	123,971	719
	Adjustments for :			
	(Increase) / decrease in investments (excluding held to maturity investment and investment in subsidiary)		(99,023,449)	(160,941,192)
	(Increase) / decrease in advances		(30,729,113)	(38,110,458)
	Increase / (decrease) in deposits		79,899,779	319,891,793
	(Increase) / decrease in other assets		(9,205,478)	(24,005,125)
	Increase / (decrease) in other liabilities and provisions		(12,424,087)	28,780,093
	Direct taxes paid (net of refunds)		(3,399,440)	(2,374,383)
	Net cash flow generated from / (used in) operating activities (A)		(59,466,413)	142,465,340
B	**Cash flow from investing activities**			
	Purchase of fixed assets		(1,650,451)	(2,557,638)
	Proceeds from sale of fixed assets		28,935	23,703
	(Increase) / decrease in held to maturity investments		(8,566,326)	(45,246,618)
	Purchase of subsidiary		-	(2,963,644)
	Dividend from subsidiary		111,600	-
	Net cash flow generated from / (used in) investing activities (B)		(10,076,242)	(50,744,197)
C	**Cash flow from financing activities**			
	Increase / (decrease) in borrowings		70,248,797	(68,976,450)
	Proceeds from issue of share capital		239,614	257,853
	Payment of dividend including dividend distribution tax (net off dividend distribution tax paid by subsidiary)		(3,047,753)	(1,021,644)
	Net cash flow generated from / (used in) financing activities (C)		67,440,658	(69,740,241)
	Net increase in cash and cash equivalents (A+B+C)		(2,101,997)	21,980,902
	Cash and cash equivalents at the beginning of the year		51,019,971	29,039,069
	Cash and cash equivalents at the end of the year		48,917,974	51,019,971
	Represented by :			
	Cash and Balances with Reserve Bank of India	6	30,508,556	30,362,908
	Balances with Banks and Money at Call and Short Notice	7	18,409,418	20,657,063
	Cash and cash equivalents at the end of the year		48,917,974	51,019,971

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date : April 24, 2018
Place : Mumbai

For and behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Abhijit Sen
Director

Bipin Gemani
Chief Financial Officer

Rajiv B. Lall
Founder Managing Director & CEO

Sunil Kakar
Director

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Deloitte Haskins & Sells

Chartered Accountants
19th floor, Shapath - V,
S G Highway,
Ahmedabad - 380 015,
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
IDFC BANK LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **IDFC Bank Limited** ("the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group"), and its share of loss of its associates for the year ended 31 March, 2018 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is in accordance with provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the subsidiary, referred to in paragraphs 5 below, the Statement:



a. includes the results of the following entities:

Subsidiary: IDFC Bharat Limited (Formerly known as Grama Vidiyal Microfinance Limited).

Associate: Millennium City Expressways Private Limited and Feedback Infra Private Limited.

b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31 March, 2018.

5. We did not audit the financial statements of a subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 22,914.98 lacs as at 31 March, 2018, total revenues of Rs. 17,729.99 lacs for the year ended 31 March, 2018 and total profit after tax of Rs. 2,125.20 lacs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

6. The consolidated financial results also includes the Group's share of (loss) after tax of Rs. 7,556.59 lacs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 24 April, 2018

IDFC Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu
CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the year ended March 31, 2018 (Consolidated) (₹ in lakhs)

Sr. No.	Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
1	**Interest Earned (a)+(b)+(c)+(d)**	**909847.23**	**857827.66**
	(a) Interest / discount on advances / bills	489012.00	513231.57
	(b) Income on investments	404130.69	328878.22
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	901.37	5866.49
	(d) Others	15803.17	9851.37
2	**Other Income**	**111987.43**	**101909.83**
3	**TOTAL INCOME (1+2)**	**1021834.66**	**959737.48**
4	Interest Expended	712596.28	651547.29
5	**Operating Expenses (i) + (ii) + (iii) + (iv)**	**179690.66**	**133211.16**
	(i) Employees cost	78638.00	61496.26
	(ii) Depreciation on group's property	16821.36	13593.08
	(iii) Professional fees	15518.56	14018.06
	(iv) Other operating expenses	68712.74	44103.76
6	**TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)**	**892286.94**	**784758.46**
7	**Operating Profit (3–6) (Profit Before Provisions and Contingencies)**	**129547.72**	**174979.03**
8	Provisions (other than tax) and Contingencies (Net)	16030.56	23604.81
9	Exceptional Items	-	-
10	**Profit / (Loss) from Ordinary Activities before tax (7–8–9)**	**113517.16**	**151374.22**
11	Tax Expense	17969.10	45099.79
12	**Net Profit / (Loss) from Ordinary Activities after tax (10–11)**	**95548.06**	**106274.43**
13	Extraordinary Items (Net of tax expense)	-	-
14	**Net Profit / (Loss) for the year (12–13)**	**95548.06**	**106274.43**
15	Share in Profit / (Loss) of Associate (refer note 4)	(7556.59)	(4406.27)
16	**Consolidated Net Profit / (Loss) for the year (14+15)**	**87991.47**	**101868.16**
17	**Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 8)**	**340407.49**	**339900.62**
18	Reserves excluding Revaluation Reserves	1187003.12	1127832.20
19	**Analytical Ratios (refer note 9)**		
	Earnings per share (EPS) for the year (before and after extraordinary items) (refer note 8)		
	- Basic (₹)	2.59	3.00
	- Diluted (₹)	2.58	2.98

Segment information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
1	**Segment Revenue**		
	a Treasury	648590.99	675299.79
	b Wholesale Banking	435858.18	514464.06
	c Retail Banking	95977.44	29344.74
	d Other Banking Business	803.63	115.18
	e Unallocated	4117.58	335.92
	Total Segment Revenue	**1185347.82**	**1219659.69**
	Add/(Less) : Inter Segment Revenue	(163513.16)	(259822.21)
	Income from Operations	**1021834.66**	**959737.48**
2	**Segment Results After Provisions & Before Tax**		
	a Treasury	112374.36	82862.78
	b Wholesale Banking	83475.94	142688.03
	c Retail Banking	(30274.69)	(34412.23)
	d Other Banking Business	(211.36)	115.18
	e Unallocated	(51847.09)	(39879.54)
	Total Profit Before Tax and Earnings from Associates	**113517.16**	**151374.22**
3	**Segment Assets**		
	a Treasury	6917649.15	5796298.61
	b Wholesale Banking	4532599.05	4765873.54
	c Retail Banking	929471.91	396131.28
	d Other Banking Business	709.11	115.18
	e Unallocated	257770.00	248012.55
	Total Segment Assets	**12638199.22**	**11206431.16**
4	**Segment Liabilities**		
	a Treasury	5891842.17	4946375.01
	b Wholesale Banking	4344879.54	4419779.12
	c Retail Banking	861544.52	364971.81
	d Other Banking Business	211.36	-
	e Unallocated	12311.02	7572.40
	Total Segment Liabilities	**11110788.61**	**9738698.34**
5	**Capital Employed (Segment Assets - Segment Liabilities)**	**1527410.61**	**1467732.82**

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India ('the RBI').

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

1

IDFC

Notes:

1 Statement of Assets and Liabilities of the Bank as at March 31, 2018 and March 31, 2017 is given below :

(₹ in lakhs)

Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
CAPITAL AND LIABILITIES		
Capital	340407.49	339900.62
Employees' stock options outstanding	-	107.14
Reserves and surplus	1187003.12	1127725.06
Deposits	4803944.14	4009782.95
Borrowings	5728706.54	5026218.57
Other liabilities and provisions	578137.93	702696.82
TOTAL	**12638199.22**	**11206431.16**
ASSETS		
Cash and balances with Reserve Bank of India	302109.87	299513.65
Balances with banks and money at call and short notice	185571.75	214499.12
Investments	6090441.80	5016411.12
Advances	5216488.81	4940168.32
Fixed Assets	80025.91	79886.95
Other Assets	763561.08	655952.00
TOTAL	**12638199.22**	**11206431.16**

2 The above results were reviewed by the Audit Committee on April 23, 2018 and approved by the Board of Directors on April 24, 2018. There are no qualifications in the auditor's report for the year ended March 31, 2018. The information presented above is extracted from the audited financial statements.

3 The consolidated financial results are prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, Accounting Standard (AS) 21 'Consolidated Financial Statement' and Accounting Standard (AS) 23 'Accounting for investment in associates in Consolidated Financial Statement' specified under Section 133 of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to banks, and the guidelines issued by the RBI.

4 During the year ended March 31, 2018, the Bank sold partial stake in Feedback Infra Private Limited, as associate, which resulted in change in its holding from 24.61% to 17.77%. Accordingly, as per AS 23 on accounting investment in associates, Feedback Infra Private Limited is no longer an associate with effect from March 19, 2018.

5 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. The proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

6 The Board of Directors has proposed a dividend of ₹ 0.75 per share (7.50%) [(Previous Year ₹ 0.75 per share) (7.50%)] for the year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting.

7 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC.80/21/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : http://www.idfcbank.com/regulatory-disclosures.html. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.

8 During the year ended March 31, 2018, the holding company has issued 5068721 equity shares of face value of ₹10 each respectively pursuant to the exercise of options under the Employee Stock Option Scheme.

9 Analytical ratios are part of standalone financial results available on the Bank's website (www.idfcbank.com) and on the Stock Exchange websites (www.nseindia.com and www.bseindia.com).

10 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Date: April 24, 2018
Place: Mumbai

For and on behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO

IDFC BANK LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedule No.	As at March 31, 2018 (₹ in Thousands)	As at March 31, 2017 (₹ in Thousands)
CAPITAL AND LIABILITIES			
Capital	1	**34,040,749**	33,990,062
Employees' stock options outstanding	1a	**-**	10,714
Reserves and surplus	2	**118,700,312**	112,772,506
Deposits	3	**480,394,414**	400,978,295
Borrowings	4	**572,870,654**	502,621,857
Other liabilities and provisions	5	**57,813,793**	70,269,682
TOTAL		**1,263,819,922**	1,120,643,116
ASSETS			
Cash and balances with Reserve Bank of India	6	**30,210,987**	29,951,365
Balances with banks and money at call and short notice	7	**18,557,175**	21,449,912
Investments	8	**609,044,180**	501,641,112
Advances	9	**521,648,881**	494,016,832
Fixed assets	10	**8,002,591**	7,988,695
Other assets	11	**76,356,108**	65,595,200
TOTAL		**1,263,819,922**	1,120,643,116
Contingent liabilities	12	**2,156,950,918**	2,037,000,515
Bills for collection		**-**	-
Significant accounting policies and notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

	Schedule No.	Year Ended March 31, 2018 (₹ in Thousands)	Year Ended March 31, 2017 (₹ in Thousands)
I INCOME			
Interest earned	13	**90,984,723**	85,782,765
Other income	14	**11,198,743**	10,190,983
TOTAL		**102,183,466**	95,973,748
II EXPENDITURE			
Interest expended	15	**71,259,628**	65,154,729
Operating expenses	16	**17,969,066**	13,321,116
Provisions and contingencies	18.04	**3,399,966**	6,870,460
TOTAL		**92,628,660**	85,346,305
Net Profit/(Loss) before Share in Profit / (Loss) in associates		**9,554,806**	10,627,443
Add : Share in profits / (Loss) of associates		**(755,659)**	(440,627)
III CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP		**8,799,147**	10,186,816
Balance in profit and loss account brought forward from previous year		**16,458,662**	12,129,256
IV AMOUNT AVAILABLE FOR APPROPRIATION		**25,257,809**	22,316,072
V APPROPRIATIONS :			
Transfer to statutory reserve	18.05	**2,150,000**	2,550,000
Transfer (from)/to investment reserve	18.05	**(5,500)**	5,500
Transfer to capital reserve	18.05	**2,020,000**	55,000
Transfer to special reserve	18.05	**750,000**	3,250,000
Proposed dividend (includes tax on dividend)	18.13	**3,070,472**	263
(Creation) / Utilization of reserves by associate		**508**	(3,353)
Balance in profit and loss account carried forward		**17,272,328**	16,458,662
TOTAL		**25,257,809**	22,316,072
VI EARNINGS PER EQUITY SHARE	18.07		
(Face value ₹ 10 per share)			
Basic (₹)		**2.59**	3.00
Diluted (₹)		**2.58**	2.98

Significant accounting policies and notes to accounts 17 & 18

The schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
Cash flow from operating activities			
Net profit / (loss) before taxes		**10,596,057**	14,696,794
Adjustments for :			
Depreciation on fixed assets	16 (V)	**1,682,136**	1,359,308
Provision for depreciation in value of investments	18.04	**(1,713,901)**	1,102,403
Amortisation of premium on held to maturity investments		**1,135,794**	293,121
Write back of provision for non performing advances	18.04	**(5,796,120)**	(10,623,023)
Additional / (write back) of specific provisions	18.04	**(1,085,200)**	220,565
Provision on unhedged foreign currency exposure	18.04	**53,000**	12,094
Loss on sale of fixed assets (net)	14 (IV)	**10,450**	53,383
Write back of provision for restructured assets	18.04	**(400)**	(5,175,600)
Bad debts including technical / prudential write off	18.04	**9,978,783**	18,405
Provision for standard assets	18.04	**42,824**	(309,240)
Loss on sale of loans to ARC	18.04	**-**	17,111,999
Other provisions and contingencies	18.04	**123,971**	2,807
Share in loss of associates		**755,659**	440,627
Adjustments for :			
(Increase) / decrease in investments (excluding held to maturity investment and investment in subsidiary)		**(99,046,559)**	(160,941,192)
(Increase) / decrease in advances		**(30,729,113)**	(38,110,458)
Increase / (decrease) in deposits		**79,416,118**	318,787,842
(Increase) / decrease in other assets		**(9,197,132)**	(24,152,616)
Increase / (decrease) in other liabilities and provisions		**(12,551,714)**	28,935,724
Direct taxes paid (net of refunds)		**(3,484,654)**	(2,441,485)
Net cash flow used in operating activities (A)		**(59,810,001)**	141,281,458
Cash flow from investing activities			
Purchase of fixed assets		**(1,738,108)**	(2,696,851)
Proceeds from sale of fixed assets		**31,625**	24,004
(Increase) / decrease in held to maturity investments		**(8,534,570)**	(45,246,618)
(Increase) / decrease in investment in subsidiary		**-**	(1,259,544)
Net cash used in investing activities (B)		**(10,241,053)**	(49,179,009)
Cash flow from financing activities			
Increase / (decrease) in borrowings		**70,248,797**	(68,976,450)
Proceeds from issue of share capital		**239,614**	257,853
Payment of dividend (including dividend distribution tax)		**(3,070,472)**	(1,021,644)
Net cash generated from financing activities (C)		**67,417,939**	(69,740,241)
Net increase in cash and cash equivalents (A+B+C)		**(2,633,115)**	22,362,208
Cash and cash equivalents at the beginning of the year		**51,401,277**	29,039,069
Cash and cash equivalents at the end of the year		**48,768,162**	51,401,277
Represented by :			
Cash and Balances with Reserve Bank of India	6	**30,210,987**	29,951,365
Balances with Banks and Money at Call and Short Notice	7	**18,557,175**	21,449,912
Cash and cash equivalents at the end of the year		**48,768,162**	51,401,277

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance

Date : April 24, 2018
Place : Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report on Annual Standalone Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying annual standalone financial results of Capital First Limited ('the Company') for the year ended 31 March 2018 ('the Financial Results'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ('the SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date audited figures upto the end of the third quarter of the relevant financial year.

These Financial Results have been prepared on the basis of the standalone annual financial statements and audited quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such standalone annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the fact that the figures for the quarter and year ended 31 March 2017 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion on the Annual Standalone Financial Results for the year ended 31 March 2017 dated 10 May 2017.

Independent Auditor's Report on Annual Standalone Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

i. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii. give a true and fair view of the standalone net profit and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
4 May 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013
email: customer.care@capitalfirst.com; website: www.capitalfirst.com

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited)	31.12.2017 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from operations	102,655.16	93,864.34	72,728.46	359,296.21	270,076.02
2	Other income	921.96	472.65	694.71	3,528.96	2,609.46
3	**Total Revenue**	**103,577.12**	**94,336.99**	**73,423.17**	**362,825.17**	**272,685.48**
4	**Expenses**					
a	Employee benefits expense	8,769.69	8,632.96	5,526.27	31,621.52	23,319.39
b	Finance costs	36,073.05	32,792.97	27,140.72	129,406.17	112,791.21
c	Depreciation and amortisation expense	912.11	641.05	518.40	2,789.12	1,663.32
d	Other expenses	44,825.62	39,669.27	29,657.66	153,551.58	101,683.03
	Total Expenses	**90,580.47**	**81,736.25**	**62,843.05**	**317,368.39**	**239,456.95**
5	**Profit from Ordinary activities before Exceptional Items**	**12,996.65**	**12,600.74**	**10,580.12**	**45,456.78**	**33,228.53**
6	Exceptional Items (Refer note no.j)	(2,936.75)	-	-	(2,936.75)	-
7	**Profit from Ordinary activities before tax**	**15,933.40**	**12,600.74**	**10,580.12**	**48,393.53**	**33,228.53**
8	**Tax expense**					
	-Current tax	4,288.23	4,176.00	3,997.17	17,572.62	13,040.04
	-Deferred tax	195.22	294.78	(319.88)	(1,846.12)	(1,476.71)
	-Tax for earlier years	-	-	(21.00)	(33.98)	(21.00)
	Tax expense	**4,483.45**	**4,470.78**	**3,656.29**	**15,692.52**	**11,542.33**
9	**Profit after tax**	**11,449.95**	**8,129.96**	**6,923.83**	**32,701.01**	**21,686.20**
10	Earnings per share (EPS) *					
	-Basic (Rs.)	11.57	8.24	7.11	33.29	23.20
	-Diluted (Rs.)	11.11	7.79	6.68	31.96	21.76
	**EPS for the quarters/nine months is not annualised*					

Notes

a. The standalone audited financial results of Capital First Limited (the 'Company' or 'CFL') for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on May 04, 2018.

b. On January 13, 2018, the Board of Directors of the Company approved the merger of the Company and its wholly owned subsidiaries i.e., Capital First Home Finance Limited and Capital First Securities Limited, with IDFC Bank Limited in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the National Housing Bank, the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), stock exchanges, the respective shareholders and creditors of each entity and the National Company Law Tribunal (NCLT). The appointed date for the scheme is April 01, 2018 or such other mutually agreed date. The effective date is the mutually agreed date, being a date post the last of the dates on which all condition precedents and matters, as set out in the scheme, occur or have been fulfilled or waived in accordance with the scheme. The proposed transaction however does not have any impact on the current financial results or the financial position of the Company as at March 31, 2018.

c. Pursuant to circular no RBI/2017-18/129- DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018 issued by the Reserve Bank of India (RBI) which permits regulated entities to defer the down grade of an account of micro,small and medium enterprise under the Micro,Small and Medium Enterprises (MSED) Act,2006, that was standard as on January 31, 2018, the Company has not opted for 180 days relaxation entended by RBI for recognition of loan as Non-Performing Assets ('NPA').

d. The Company has accounted for provision on standard assets as per the Reserve Bank of India ('RBI') notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years commencing from financial year ending March 31, 2016. As a result of which provision for standard assets as at March 31, 2018 is higher by Rs. 1073.54 lakhs.

e. During the quarter ended March 31, 2018, 75,160 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.

f. The Secured Listed Non-Convertible Debt securities of the Company as on March 31, 2018 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

g. RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending March 31, 2016. This has resulted in increase in gross non-performing assets by Rs. 8,541.21 lakhs. However, there is no significant impact of this change on provision for the quarter and year ended March 31, 2018.

h. The primary business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

i. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs.2.80 per share (28%)

j. In earlier years, the Board of Directors decided to discontinue broking business carried on through its subsidiary Capital First Securities Limited (CFSL). At the time of discontinuance of broking business of CFSL, the Company was carrying impairtment provision of Rs.5,841.73 lakhs . Thereafter CFSL started other business activity which has resulted in consistent income and profitability.The management believes that the provision for diminution needs to be reversed to the extent of CFSL's net worth. Accordingly Rs.2,936.75 lakhs has been reversed. However, this has no impact on the consolidated financial statements of the Company.

k. The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the year to date audited figures for the nine months period ended December 31, 2017.

l. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year's classifications.

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN : 00082596

Place : Mumbai

Date : May 04, 2018

CAPITAL FIRST LIMITED
(CIN no. L29120MH2005PLC156795)
Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013

STANDALONE STATEMENT OF AUDITED ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	9,896.52	9,742.21
(b) Reserves and surplus	245,100.22	213,979.17
Sub-Total shareholders' funds	**254,996.74**	**223,721.38**
2 Share application money pending allotment	4.13	-
3 Non - current liabilities		
(a) Long term borrowings	1,353,626.94	860,458.72
(b) Other long term liabilities	10,182.98	7,145.03
(c) Long term provisions	17,103.10	11,430.30
Sub-Total non-current liabilities	**1,380,913.02**	**879,034.05**
4 Current Liabilities		
(a) Short term borrowings	370,223.16	250,569.06
(b) Trade payables	31,056.13	17,508.58
(c) Other current liabilities	340,933.61	308,384.60
(d) Short term provisions	20,035.25	14,217.67
Sub-Total current liabilities	**762,248.15**	**590,679.91**
TOTAL-EQUITY AND LIABILITIES	**2,398,162.04**	**1,693,435.34**
B ASSETS		
1 Non - current assets		
(a) Fixed assets	9,528.30	6,463.96
(b) Non - current investments	54,705.83	29,532.05
(c) Deferred tax assets (Net)	8,758.73	6,912.61
(d) Long term loans and advances	1,358,666.03	880,715.76
(e) Other non current assets	29,155.87	13,300.44
Sub-Total non-current assets	**1,460,814.76**	**936,924.82**
2 Current Assets		
(a) Current investments	754.33	2,440.24
(b) Trade receivables	6,721.68	6,153.18
(c) Cash and cash equivalents	117,938.73	152,049.14
(d) Short term loans and advances	778,075.58	564,216.82
(e) Other current assets	33,856.96	31,651.14
Sub-Total current assets	**937,347.28**	**756,510.52**
TOTAL ASSETS	**2,398,162.04**	**1,693,435.34**





CAPITAL FIRST LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Rs. in lakhs

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,896.52	9,742.21
Reserves and surplus	4	245,100.22	213,979.17
		254,996.74	223,721.38
Share Application Money Pending Allotment	3	4.13	-
Non - Current Liabilities			
Long term borrowings	5	1,353,626.94	860,458.72
Other long term liabilities	6	10,182.98	7,145.03
Long term provisions	7	17,103.10	11,430.30
		1,380,913.02	878,034.05
Current Liabilities			
Short term borrowings	8	370,223.16	250,569.08
Trade payables	9		
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		31,056.13	17,508.56
Other current liabilities	10	340,933.61	308,384.60
Short term provisions	11	20,035.25	14,217.67
		762,248.15	590,679.91
TOTAL		2,398,162.04	1,693,435.34
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	12	6,123.47	4,764.63
- Intangible assets	12	2,164.64	1,699.33
- Intangible assets under development		1,240.19	-
		9,528.30	6,463.96
Non - current investments	13	54,705.83	29,532.05
Deferred tax assets (Net)	14	8,758.73	6,912.61
Long term loans and advances	15	1,358,666.03	880,715.78
Other non current assets	16	29,155.87	13,300.44
		1,460,814.76	936,924.82
Current Assets			
Current investments	17	754.33	2,440.24
Trade receivables	18	6,721.69	6,153.18
Cash and bank balances	19	117,938.73	152,049.14
Short term loans and advances	20	778,075.58	564,216.82
Other current assets	21	33,856.96	31,651.14
		937,347.28	756,510.52
TOTAL		2,398,162.04	1,693,435.34

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sankhecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. In lakhs

Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	359,296.21	270,076.03
Other income	23	3,528.96	2,609.45
Total Revenue		362,825.17	272,685.48
Expenses			
Employee benefits expense	24	31,621.52	23,319.39
Finance costs	25	129,405.17	112,791.21
Depreciation and amortisation expense	26	2,789.12	1,663.32
Other expenses	27	153,551.58	101,683.03
Total Expenses		317,368.39	239,456.95
Profit before exceptional items and tax		45,456.78	33,228.53
Exceptional items	28	(2,936.75)	-
Profit before tax		48,393.53	33,228.53
Tax expense:			
- Current tax		17,572.62	13,040.04
- Deferred tax credit		(1,846.12)	(1,476.71)
- Tax for earlier years		(33.98)	(21.00)
		15,692.52	11,542.33
Profit after tax		32,701.01	21,686.20
Earning per equity share:	29		
[Face value - Rs.10/- per share]			
- Basic		33.29	23.20
- Diluted		31.96	21.76

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head-Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	48,393.53	33,228.63
Adjustments for :		
Depreciation/ amortisation	2,789.12	1,663.32
Provision for doubtful loans and advances	4,743.55	3,326.36
Provision for diminution in value of investments	(2,936.75)	(183.59)
Contingent provisions against standard assets	3,476.07	1,464.22
Bad loans and trade receivables written off	53,619.38	39,482.48
Provision for employee benefits	429.82	148.98
Profit on sale of investments (net)	(3,425.79)	(1,503.16)
Dividend income	(43.84)	(38.93)
Loss on sale of fixed assets	9.89	123.39
Interest on investments	(212.23)	-
	58,449.22	44,493.05
Operating Profit Before Working Capital Changes	106,842.85	77,721.68
Adjustment for changes in working capital:		
(Increase)/ Decrease in trade receivables	(588.50)	(3,485.48)
(Increase)/ Decrease in loans and advances	(746,208.92)	(271,885.92)
(Increase)/Decrease in other assets	(17,640.62)	8,092.48
(Increase)/Decrease in trade payables and other liabilities	42,790.71	30,998.58
Cash used in operations	(615,014.48)	(158,558.78)
Direct taxes paid (net of refund)	(12,503.58)	(4,573.92)
Net Cash (used in) from Operating Activities	(627,518.05)	(163,142.71)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets and capital work in progress	(6,239.97)	(5,410.19)
Sale proceeds from fixed assets	50.65	10.50
Purchase of investments	(4,316,094.49)	(2,682,500.24)
Sale proceeds from investments	4,299,181.39	2,677,630.75
Dividend income	43.84	38.93
Net Cash (used in) from Investing Activities	(23,058.58)	(10,230.25)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	154.32	818.43
Proceeds from securities premium on issue of equity share capital	3,159.59	36,456.05
Proceeds from share application money pending allotment	4.13	(14.98)
Payment of securities issue expenses	(1,681.53)	(999.09)
Payment of dividend	(2,540.65)	(2,159.91)
Payment of dividend tax	(517.25)	(445.61)
Proceeds from long term borrowings	789,335.00	550,293.00
Repayment of long term borrowings	(290,884.70)	(449,150.25)
Proceeds from short term borrowings	2,712,508.38	453,791.32
Repayment of short term borrowings	(2,592,854.28)	(358,466.37)
Net Cash generated from Financing Activities	616,662.89	229,892.41
Net (Decreased)/Increase in Cash and Cash Equivalents during the period	(33,893.76)	56,519.45
Cash and Cash equivalents at beginning of the year (Refer note 3 below)	150,845.66	94,326.21
Cash and Cash equivalents at the end of the year	116,951.91	150,845.66

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash in hand	2,287.80	1,398.90
Cheques on hand	-	195.22
Balance with banks:		
- In current accounts (Refer note 3 below)	114,664.11	149,251.54
Total	116,951.91	150,845.66

Notes:

1 The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

3 The balances in unclaimed dividend accounts is not available for use by the Company and hence the same have been excluded.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sankhecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report on Annual Consolidated Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying annual consolidated financial results of Capital First Limited ('the Company') for the year ended 31 March 2018 ('the Financial Results'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ('the SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date audited figures upto the end of the third quarter of the relevant financial year.

These Financial Results have been prepared on the basis of the consolidated annual financial statements and audited quarterly consolidated financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the fact that the figures for the quarter and year ended 31 March 2017 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion on the Annual Consolidated Financial Results for the year ended 31 March 2017 dated 10 May 2017.



Independent Auditor's Report on Annual Consolidated Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

i. include the annual financial results of the following entities:

Name of the entity	Relationship
Capital First Limited	Holding Company
Capital First Home Finance Limited	Subsidiary
Capital First Securities Limited	Subsidiary
Capital First Commodities Limited	Subsidiary

ii. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii. give a true and fair view of the consolidated net profit and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
4 May 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013
email: customer.care@capitalfirst.com; website: www.capitalfirst.com

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

Sr	Particulars	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited) (refer note 'k')	31.12.2017 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from operations	109,396.31	98,763.74	74,932.06	377,062.05	277,287.07
2	Other income	1,063.43	825.73	748.19	4,142.52	2,799.36
3	**Total Revenue**	**110,459.74**	**99,589.47**	**75,680.25**	**381,204.57**	**280,086.43**
4	**Expenses**					
a	Employee benefits expense	9,526.62	9,189.14	5,966.29	33,476.66	23,939.35
b	Finance costs	39,259.49	35,661.79	28,025.59	138,244.23	116,060.08
c	Depreciation and amortisation expense	912.11	641.05	518.40	2,789.12	1,663.32
d	Other expenses	46,478.27	40,706.51	30,348.25	157,297.99	102,675.25
	Total Expenses	**96,176.49**	**86,198.49**	**64,858.53**	**331,808.00**	**244,338.00**
5	**Profit before tax**	**14,283.25**	**13,390.98**	**10,821.72**	**49,396.57**	**35,748.43**
6	Tax expense					
	- Current tax	4,537.35	4,586.68	3,888.70	18,750.77	13,518.78
	- Minimum Alternate Tax (MAT)	196.16	90.54	-	467.10	-
	- Deferred tax credit	1.55	(7.77)	(162.61)	(2,624.28)	(1,763.31)
	- Tax for earlier years	(0.01)	-	(12.48)	(32.29)	(12.48)
	Tax expense	**4,735.05**	**4,669.45**	**3,713.61**	**16,561.30**	**11,742.99**
7	**Profit for the year from Continuing Operations**	**9,548.20**	**8,721.53**	**7,108.11**	**32,835.27**	**24,005.44**
8	Profit/(loss) before tax from discontinuing operations	(1.95)	(1.31)	2.20	(7.36)	(4.38)
9	Tax expense/ (credit) of discontinuing operations	21.09	23.86	27.23	83.44	108.95
10	Profit/(loss) from discontinuing operations (after tax)	(23.04)	(25.17)	(25.03)	(90.80)	(113.33)
11	**Profit for the year**	**9,525.16**	**8,696.36**	**7,083.08**	**32,744.47**	**23,892.11**
12	Earnings per share *					
	Basic EPS	9.63	8.81	7.27	33.34	25.56
	Diluted EPS	9.24	8.83	6.84	32.00	23.97
	EPS for the quarter is not annualised					

Notes

a The audited consolidated financial results relate to Capital First Limited (the "Company") and its subsidiaries (together referred as 'Group'). The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in Accounting Standard (AS) - 21 'Consolidated Financial Statements' notified under section 133 of the Companies Act 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014' and Companies (Accounting Standard) Amendment Rules, 2016. The financial results of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

b The consolidated financial results for the quarter/year ended March 31, 2018, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on May 4, 2018.

c On January 13, 2018, the Board of Directors of the Company approved the merger of the Company and its wholly owned subsidiaries i.e., Capital First Home Finance Limited and Capital First Securities Limited, with IDFC Bank Limited in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the National Housing Bank, the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), stock exchanges, the respective shareholders and creditors of each entity and the National Company Law Tribunal (NCLT). The appointed date for the scheme is April 01, 2018 or such other mutually agreed date. The effective date is the mutually agreed date, being a date post the last of the dates on which all condition precedents and matters, as set out in the scheme, occur or have been fulfilled or waived in accordance with the scheme. The proposed transaction however does not have any impact on the current financial results or the financial position of the Company as at March 31, 2018.

d. Pursuant to circular no RBI/2017-18/129- DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018 issued by the Reserve Bank of India (RBI) which permits regulated entities to defer the down grade of an account of micro,small and medium enterprise under the Micro,Small and Medium Enterprises (MSED) Act,2006, that was standard as on January 31, 2018, the Company has not opted for 180 days relaxation extended by RBI for recognition of loan as Non-Performing Assets ('NPA').

e. The Company has accounted for provision on standard assets as per the Reserve Bank of India ('RBI') notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years commencing from financial year ending March 31, 2016. As a result of which provision for standard assets as at March 31, 2018 is higher by Rs. 1073.54 lakhs.

f. RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending March 31, 2016. This has resulted in increase in gross non-performing assets by Rs. 8,541.21 lakhs. However, there is no significant impact of this change on provision for the quarter and year ended March 31, 2018.

B S R & Co. LLP Chartered Accountants

Capital First Limited

g. The primary business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

h. During the quarter ended March 31, 2018, 75,160 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.

i. The Secured Listed Non-Convertible Debt securities of the Company as on March 31, 2018 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

j. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs. 2.80 per share (28%).

k. The figures for the quarter ended Mar 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the year to date audited figures for the nine months period ended December 31, 2017.

l. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year's classification.

m. The Standalone Financial Results are available on the Company's website viz. www.capitalfirst.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

(Rs. In Lakhs)

STANDALONE FINANCIALS SUMMARY					
	QUARTER ENDED			YEAR ENDED	
Particulars	**31.03.2018 (Audited)**	**31.12.2017 (Audited)**	**31.03.2017 (Audited)**	**31.03.2018 (Audited)**	**31.03.2017 (Audited)**
Revenues (including other income)	103,577.12	94,336.99	73,423.17	362,825.17	272,685.48
Profit before tax	15,933.40	12,600.74	10,580.12	48,393.53	33,228.53
Profit after tax	11,449.95	8,129.96	*6,923.83*	32,701.01	21,686.20

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Place : Mumbai
Date : May 4, 2018

B S R & Co. LLP Chartered Accountants

Capital First Limited Mumbai

SB

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)
Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (W), Mumbai - 400 013

STATEMENT OF AUDITED ASSETS AND LIABILITIES (CONSOLIDATED)

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	9,896.52	9,742.21
(b) Reserves and surplus	251,855.77	220,641.88
Sub-total shareholders' funds	**261,752.29**	**230,384.09**
2 Share application money pending allotment	4.13	-
3 Non - Current Liabilities		
(a) Long term borrowings	1,489,193.19	894,448.72
(b) Other long term liabilities	13,107.43	8,017.59
(c) Long term provisions	19,642.38	11,907.00
Sub-total non-current liabilities	**1,521,943.00**	**914,373.31**
4 Current Liabilities		
(a) Short term borrowings	404,490.80	259,900.82
(b) Trade payables	33,818.10	18,052.17
(c) Other current liabilities	374,473.47	328,433.66
(d) Short term provisions	20,275.06	14,373.39
Sub-total current liabilities	**833,057.43**	**620,760.04**
TOTAL - EQUITY & LIABILITIES	**2,616,756.85**	**1,765,517.44**
B ASSETS		
1 Non-Current Assets		
(a) Fixed assets	9,547.77	6,463.96
(b) Non - current investments	28,737.03	21,500.00
(c) Deferred tax assets (Net)	9,847.91	7,223.63
(d) Long term loans and advances	1,555,493.56	940,877.34
(e) Other non current assets	30,736.33	13,845.49
Sub-total non-current assets	**1,634,362.60**	**989,910.42**
2 Current Assets		
(a) Current investments	4,454.33	4,365.24
(b) Trade receivables	6,736.95	6,199.52
(c) Cash and bank balances	142,634.93	159,362.81
(d) Short term loans and advances	792,169.02	573,301.54
(e) Other current assets	36,399.02	32,377.91
Sub-total current assets	**982,394.25**	**775,607.02**
TOTAL - ASSETS	**2,616,756.85**	**1,765,517.44**

CAPITAL FIRST LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Rs. in Lakhs

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,888.52	9,742.21
Reserves and surplus	4	251,855.77	220,641.88
		261,752.29	230,384.09
Share application money pending allotment		4.13	-
Non - Current Liabilities			
Long term borrowings	5	1,489,193.19	894,448.72
Other long term liabilities	6	13,107.43	8,017.59
Long term provisions	7	19,642.38	11,906.99
		1,521,943.00	914,373.30
Current Liabilities			
Short term borrowings	8	404,490.80	259,900.62
Trade payables	9		
(I) Micro and Small Enterprises		-	-
(II) Other than Micro and Small Enterprises		33,618.10	18,052.17
Other current liabilities	10	374,473.47	328,433.66
Short term provisions	11	20,275.06	14,373.40
		833,057.43	620,760.05
TOTAL		2,616,756.85	1,765,517.44
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	12	6,142.94	4,764.63
- Intangible assets	12	2,164.64	1,699.33
- Intangible assets under development		1,240.19	-
		9,547.77	6,463.96
Non - current investments	13	28,737.03	21,500.00
Deferred tax assets (Net)	14	9,647.91	7,223.63
Long term loans and advances	15	1,555,493.56	940,877.34
Other non current assets	16	30,736.33	13,845.49
		1,634,362.60	989,910.42
Current Assets			
Current investments	17	4,454.33	4,365.24
Trade receivables	18	6,736.95	6,199.51
Cash and bank balances	19	142,634.93	159,362.81
Short term loans and advances	20	792,169.02	573,301.54
Other current assets	21	36,399.02	32,377.92
		982,394.25	775,607.02
TOTAL		2,616,756.85	1,765,517.44

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director
DIN No. 00082596

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Place: Mumbai
Date : May 4, 2018

Hemang Raja
Director
DIN No. 00040769

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	377,062.05	277,287.07
Other income	23	4,142.52	2,799.36
Total revenue		381,204.57	280,086.43
Expenses			
Employee benefits expense	24	33,476.66	23,939.35
Finance costs	25	138,244.23	116,050.08
Depreciation and amortisation expense	26	2,789.12	1,663.32
Other expenses	27	157,297.99	102,675.25
Total Expenses		331,808.00	244,338.00
Profit before tax		49,396.57	35,748.43
Tax expense:			
- Current tax		18,750.77	13,518.78
- Minimum Alternate Tax (MAT)		467.10	-
- Deferred tax credit		(2,624.28)	(1,763.31)
- Tax for earlier years		(32.29)	(12.48)
		16,561.30	11,742.99
Profit for the year from continuing operations	(A)	32,835.27	24,005.44
Profit/(loss) before tax from discontinuing operations		(7.36)	(4.38)
Tax expense of discontinuing operations		83.44	108.95
Profit/(loss) from discontinuing operations (after tax)	(B)	(90.80)	(113.33)
Profit for the year	(A)+(B)	32,744.47	23,892.11
Earning per equity share:	28		
- Basic (Face value of Rs. 10/- each)		33.34	25.56
- Diluted (Face value of Rs. 10/- each)		32.00	23.97

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V.Vaidyanathan
Chairman &
Managing Director
DIN No. 00082596

Hemang Raja
Director
DIN No. 00040759

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 4, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		49,396.57	35,748.43
Profit before tax from discontinuing operations		(7.36)	(4.38)
		49,389.21	35,744.05
Adjustments for :			
Depreciation/ amortisation on continuing operation		2,789.12	1,663.32
Provision for doubtful loans and advances		6,281.60	3,623.15
Provision for diminution in value of investments		-	(183.59)
Provision for standard assets		4,034.23	1,547.79
Bad loans and trade receivables written off		53,664.57	40,307.66
Provision for employee benefits		482.64	160.64
Dividend income		(43.64)	(38.93)
Profit on sale of investments (net)		(4,022.32)	(1,668.81)
Loss on sale of fixed assets		9.89	123.39
Excess provision written back		-	(5.71)
		63,396.19	45,518.93
Operating Profit Before Working Capital Changes		112,785.40	81,262.98
Adjustment for changes in working capital:			
Increase in Trade Receivables		(537.44)	(3,531.75)
Increase in Loans and Advances		(686,094.78)	(293,876.66)
Increase in Other Assets		(20,691.32)	7,338.84
Increase in Trade payables and other liabilities		45,800.16	32,286.94
Cash used in operations		(750,737.96)	(176,518.65)
Direct taxes paid (net of refund)		(14,272.31)	(5,233.61)
Net Cash (used in) Operating Activities	(A)	(765,010.27)	(181,752.26)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(6,259.44)	(5,410.19)
Sale proceeds from fixed assets		80.65	10.50
Sale proceeds from investments		4,604,285.68	2,727,000.88
Purchase of investments		(4,607,589.49)	(2,732,650.73)
Dividend income		43.64	38.93
Net Cash (used in) Investing Activities	(B)	(9,438.75)	(11,010.61)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Share Capital		154.32	618.43
Proceeds from Share Application Money Pending Allotment		4.13	(14.96)
Proceeds from Securities Premium on issue of Equity Share Capital		3,169.69	38,456.05
Payment of securities issue expenses		(1,642.16)	(918.55)
Payment of dividend		(2,540.86)	(2,189.91)
Payment of dividend tax		(517.28)	(445.81)
Proceeds from long term borrowings		934,835.00	581,093.00
Repayment of long term borrowings		(320,085.03)	(467,942.75)
Proceeds from short term borrowings		2,971,194.97	523,450.05
Repayment of short term borrowings		(2,826,605.00)	(421,279.21)
Net Cash generated from Financing Activities	(C)	757,967.80	248,826.34
Net (Decreased/ Increase in Cash and Cash Equivalents during the year	(A+B+C)	(16,511.22)	56,063.47
Cash and Cash equivalents at beginning of the year (Refer note 3 below)		168,159.33	102,095.86
Cash and Cash equivalents at the end of the year		141,648.11	158,159.33

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011 India.
Chartered Accountants

Capital First Limited
Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. In Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash in Hand	2,401.66	1,463.90
Cheques on hand	-	195.23
Balance with Banks		
- in current account	139,246.55	156,480.20
Total	141,648.11	158,159.33

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

3 The balances in unclaimed dividend accounts is not available for use by the Company and hence the same have been excluded.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director
DIN No. 00082595

Hunang Raja
Director
DIN No. 00040759

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 4, 2018

SB

Capital First Limited Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Capital First Home Finance Limited

Report on the financial statements

We have audited the accompanying financial statements of Capital First Home Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report *(Continued)*

Capital First Home Finance Limited

Auditor's responsibility *(Continued)*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

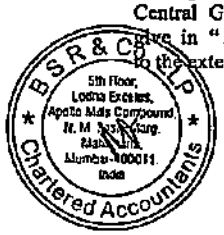
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 9 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



Independent Auditor's Report *(Continued)*

Capital First Home Finance Limited

Report on other legal and regulatory requirements *(Continued)*

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 33 to the financial statements;

   iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report - 31 March 2018

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) According to the information and explanation given to us, the Company does not have any fixed assets apart from Land, Accordingly, paragraph 3(i)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us, the Company does not have any fixed assets apart from Land, Accordingly, paragraph 3(i)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is in the business of housing finance and consequently, does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, good and services tax, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, employee state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, good and services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.



Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of any disputes.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	88.29	AY 2006-07	CIT(A)
Income Tax Act, 1961	Income Tax	1.40	AY 2012-13	CIT(A)

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in the repayment of outstanding dues to financial institution, bank, government or debenture holder during the year.

ix. According to the information and explanations given to us and based on our examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised. During the year, there were no money raised by way of initial public offer or further public offer.

x. According to the information and explanations give to us and based on our examination of the records of the Company no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable.



Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

Capital First Home Finance Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Capital First Home Finance Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Capital First Home Finance Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018 *(Continued)*

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

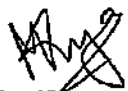
Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

CAPITAL FIRST HOME FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	1,377,330,790	663,045,150
Reserves and surplus	4	642,359,050	251,549,782
		2,019,689,840	914,594,932
Non-current Liabilities			
Deferred tax liability (Net)	5	-	3,295,831
Long term borrowings	6	14,056,625,010	3,744,500,000
Other long term liabilities	7	276,179,507	70,971,472
Long term provisions	8	260,585,853	54,545,786
		14,593,390,370	3,873,313,089
Current Liabilities			
Short term borrowings	9	3,426,764,441	933,176,248
Trade payables	10		
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		293,956,676	92,398,022
Other current liabilities	11	3,267,277,191	1,292,857,123
Short term provisions	12	14,132,488	7,249,690
		7,002,130,796	2,285,181,083
TOTAL		23,615,211,006	7,073,089,104
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	13	1,947,384	-
		1,947,384	-
Deferred tax asset (net)	5	68,874,556	-
Long term loans and advances	14	19,668,610,255	6,005,019,288
Other non current assets	15	210,647,300	92,007,660
		19,949,779,497	6,097,026,948
Current Assets			
Cash and bank balances	16	2,463,515,177	727,898,618
Short term loans and advances	17	947,708,839	175,786,993
Other current assets	18	254,207,493	72,676,545
		3,665,431,509	976,062,156
TOTAL		23,615,211,006	7,073,089,104

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	19	1,662,794,163	708,309,080
Other income	20	40,845,770	3,836,944
Total Revenue		1,723,639,933	712,146,024
Expenses			
Employee benefits expense	21	167,007,279	46,900,318
Finance costs	22	955,744,959	404,812,898
Other expenses	23	443,761,126	163,325,524
Total Expenses		1,566,513,364	615,038,740
Profit before tax		157,126,569	97,107,284
Tax expense:			
- Current tax		117,814,457	26,132,443
- Deferred tax		(71,870,389)	5,736,130
- Tax for earlier years		169,380	852,245
		46,313,448	32,722,818
Profit after tax		110,813,121	64,384,466
Earnings per equity share:	24		
- Basic		0.97	0.97
- Diluted		0.97	0.97

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Valdyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01736973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

CAPITAL FIRST HOME FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from Operating Activities		
Profit before tax	157,126,569	97,107,284
Adjustments for:		
Provision for doubtful loans and advances	152,304,914	29,679,177
Provision for standard assets	55,615,979	8,356,817
Provision for employee benefits	5,246,535	-
Bad loans and trade receivables written off (net of recovery)	24,516,107	82,521,444
Profit on sale of investments	(40,365,870)	(3,515,691)
Operating profit before Working Capital changes	354,646,234	214,148,831
Adjustment for changes in working capital:		
(Decrease)/ Increase in Trade Payables	241,558,654	20,110,029
(Decrease)/ Increase in Long term Liabilities	205,206,035	31,671,411
(Decrease)/ Increase in Short term Liabilities	138,378,395	48,965,451
(Increase)/ Decrease in Short term Loans & Advances	(771,921,846)	39,653,293
(Increase)/ Decrease in Long term Loans & Advances	(13,683,893,251)	(2,192,549,197)
(Increase)/ Decrease in Short term other assets	(181,530,947)	(21,609,390)
(Increase)/ Decrease in Long term other assets	(118,809,640)	(57,943,392)
Cash used in from Operations	(13,816,394,365)	(1,917,650,964)
Less: Direct taxes paid	(122,644,220)	(35,507,178)
Net Cash used in Operating Activities	(13,939,038,585)	(1,953,158,143)
Cash flow from Investing Activities		
Proceeds from sale of current investments	28,819,865,870	4,399,215,891
Purchase of current investments	(28,779,500,000)	(4,395,700,000)
Purchase of Fixed asset	(1,947,384)	-
Net Cash generated from Investing Activities	38,418,486	3,515,891
Cash flow from Financing Activities		
Proceeds from issue of equity share capital	714,285,640	-
Proceeds from securities premium on issue of equity share capital	285,714,256	-
Payment of securities issue expenses	(5,718,109)	-
Proceeds from Long term borrowings	14,550,000,911	2,315,000,000
Proceeds from Short term borrowings	25,888,559,278	8,955,873,317
Proceeds from ICD	150,000,000	765,000,000
Repayment of Long term borrowings	(2,401,333,333)	(758,750,000)
Repayment of Short term borrowings	(23,375,071,083)	(6,605,684,672)
Repayment of ICD	(150,000,000)	(765,000,000)
Net Cash generated from Financing Activities	15,636,538,658	1,906,438,645
Net Increase / (decrease) in Cash and Cash Equivalents during the year	1,735,916,559	(43,203,607)
Cash and Cash Equivalents at the beginning of the year	727,598,618	770,802,225
Cash and Cash Equivalents at the end of the year	2,463,515,177	727,598,618



	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash on hand	11,374,916	8,499,753
Balance with banks:		
- In current accounts	2,452,140,261	719,098,865
Total	2,463,515,177	727,598,618

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 WAY-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place : Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place : Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Capital First Securities Limited

Report on the financial statements

We have audited the accompanying financial statements of Capital First Securities Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report *(Continued)*

Capital First Securities Limited

Auditor's responsibility *(Continued)*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 8 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

B S R & Co. LLP
5th Floor,
Lodha Excelus,
Apollo Mills Compound
Mumbai-400011
India
Chartered Accountants

Independent Auditor's Report *(Continued)*

Capital First Securities Limited

Report on other legal and regulatory requirements *(Continued)*

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 31 to the financial statements;

   iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report - 31 March 2018

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. According to the information and explanation given to us, the Company does not have any fixed assets, Accordingly, paragraph 3(i)(a), (b) and (c) of the Order is not applicable to the Company.

ii. The Company is in the business of advisory, business support services and loan syndication and consequently does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, good and services tax, stamp duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, employee state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income-tax, service tax, good and services tax, stamp duty and other material statutory dues which were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable are as follows –

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
State Government	Stamp duty	13.26	December 2011 to September 2013	-	-

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India
Chartered Accountants

Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of any disputes.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9.05	AY 2009-10	CIT(A)

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any outstanding dues to financial institutions, bank, government or debenture holders at any point of time during the current financial year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any money by way of initial public offer/ further public offer, debt instruments and term loans during the current financial year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations give to us and based on our examination of the records of the Company no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable.



Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

Capital First Securities Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Capital First Securities Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Capital First Securities Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018 *(Continued)*

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

CAPITAL FIRST SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Amount in Rupees

Particulars	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	673,556,000	673,556,000
Reserves and Surplus	4	(18,500,638)	(195,051,527)
		655,055,362	**478,504,473**
Non - Current Liabilities			
Other Long term liabilities	5	85,788,789	69,853,801
Long term provisions	6	195,301	146,909
		85,984,090	**70,000,710**
Current Liabilities			
Trade payables	7		
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		1,659,954	1,495,186
Other current liabilities	8	60,661,415	54,456,388
Short term provisions	9	1,352,715	1,345,330
		63,674,084	**57,296,904**
TOTAL		**804,713,536**	**605,802,087**
ASSETS			
Non - Current Assets			
Non - current investments	10	282,800,000	282,800,000
Deferred tax assets (Net)	11	40,543,719	34,397,532
Other non current assets	12	16,720,584	15,722,825
Long term loans and advances	13	9,325,503	10,142,480
		349,389,806	**343,062,837**
Current Assets			
Current Investments	14	370,000,000	192,500,000
Trade receivables	15	84,518,780	4,633,696
Cash and bank balance	16	522,748	618,272
Short term loans and advances	17	282,202	64,987,282
		455,323,730	**262,739,250**
TOTAL		**804,713,536**	**605,802,087**
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

Anand Rai
Managing Director & Company Secretary A CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

CAPITAL FIRST SECURITIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rupees

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	18	220,558,691	133,629,689
Other Income	19	20,511,043	15,152,810
Total revenue		**241,069,734**	**148,782,499**
Expenses			
Employee benefits expense	20	18,507,214	15,096,061
Finance costs	21	932	9,081
Other expenses	22	5,446,886	3,204,886
Total Expenses		**23,955,032**	**18,310,028**
Profit before tax		**217,114,702**	**130,472,471**
Tax expense:			
- Current tax		-	21,740,001
Minimum Alternate Tax		46,710,000	-
- Deferred tax		(6,146,187)	(34,397,532)
		40,563,813	**(12,657,531)**
Profit after tax		**176,550,889**	**143,130,002**
Earnings per Equity Share:	23		
- Basic (Face value of Rs. 10/-)		2.91	2.30
- Diluted (Face value of Rs. 10/-)		2.91	2.30
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

Anand Rai
Managing Director & Company Secretary & CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

CAPITAL FIRST SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	For the year ended March 31, 2018		For the year ended March, 2017	
Profit before tax		**217,114,702**		**130,472,471**
Adjustments for:				
Excess Provision written back	(115,725)		(570,903)	
Provision for doubtful advances	-		-	
Provision for Gratuity	49,172		147,705	
Profit on sale of Investment	(19,286,694)		(13,048,424)	
Interest Income	(1,108,624)		(1,045,795)	
Provision for doubtful advances	1,500,000		-	
		(18,961,871)		(14,517,417)
Operating Profit Before Working Capital Changes		**198,152,831**		**115,955,054**
(Increase)/ decrease in trade and other receivables	-		-	
(Increase)/Decrease in short term loans & advances	63,707,321		(47,349,013)	
(Increase)/ Decrease in trade receivables	(81,385,084)		(4,626,088)	
Increase/ (decrease) in trade payables	164,768		662,094	
Increase/ (decrease) in other current liabilities	22,255,740		31,705,278	
Increase/ (decrease) in short term provisions	6,604		17,692	
		4,749,349		(19,590,037)
Cash from / (used) in operations		202,902,180		96,365,017
Income taxes (refund) /paid		(45,893,023)		(19,454,586)
Net Cash from Operating Activities		**157,009,157**		**76,910,431**
Cash flows from investing activities				
Purchase of Investments	(370,000,000)		(606,300,000)	
Proceeds from sale of investments	211,786,694		524,748,425	
Interest received	1,108,624		1,045,795	
Net cash (used in) / from investing activities		**(157,104,682)**		**(80,505,780)**
Cash flows from financing activities				
Net cash used in financing activities		-		-
Net decrease in cash and cash equivalents during the year		**(95,525)**		**(3,595,351)**
Cash and cash equivalents at beginning of year		**618,272**		4,213,623
Cash and cash equivalents at end of year		**522,748**		**618,272**

	As at March 31, 2018	As at March 31, 2017
Cash & Cash equivalents:		
Cash on hand and bank balances	522,748	618,272
Total	**522,748**	**618,272**

Note:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rule 7 of the Companies Accounts Rules, 2014 and the Companies (Accounting Standard) Amendment Rule 2016

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
Capital First Securities Limited

Anand Rai
Managing Director &
Company Secretary & CFO
DIN 07019167

Place: Mumbai
Date: April 28, 2018

Gourav Mardia

Director
DIN '06527313

CAPITAL FIRST SECURITIES LIMITED

Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

July 17, 2018

The Board of Directors,
Capital First Home Finance Limited,
One Indiabulls Centre,
Tower 2A & 2B, 10th Floor,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400013

Dear Sir/Ma'am,

Subject: Composite Scheme of Amalgamation of Capital First Limited ("CFL"), Capital First Home Finance Limited (the "Company") and Capital First Securities Limited ("CFSL") with IDFC Bank Limited ("Amalgamated Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

This is with reference to our engagement letter dated May 31, 2018 entered into with CFL for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to CFL and the Company made in the Abridged Prospectus (as defined below), prepared by the Company, to be sent to the shareholders and creditors (both secured as well as unsecured) of the Company and the Amalgamated Company, pursuant to the Scheme.

The Scheme involves the amalgamation of CFL, the Company and CFSL with the Amalgamated Company. No consideration shall be payable pursuant to the amalgamation of the Company and CFSL into the Amalgamated Company and the securities held by the Amalgamated Company and its nominees in the Company and CFSL (after giving effect to the Scheme) shall stand cancelled without any further act, application or deed. The Company is a wholly owned subsidiary of CFL. Accordingly, we have been provided with the abridged prospectus pertaining to the Company ("**Abridged Prospectus**", as enclosed) as prepared by the Company. The Abridged Prospectus will be circulated to the members and creditors (as the case may be) of CFL, the Company, CFSL and the Amalgamated Company at the time of seeking their approval to the Scheme as part of the explanatory statement to the notice.

Based on the information, undertakings, certificates, confirmations and documents provided to us by the Company, we hereby confirm that the information contained in the Abridged Prospectus is accurate and adequate in terms of paragraph A(3)(a) of Part I of Annexure I of the SEBI Circular bearing reference number CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("**SEBI Circular**") read with the format provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and SEBI Circular bearing reference number CIR/CFD/DIL/7/2015 dated October 30, 2015, as applicable.

PL CAPITAL MARKETS PVT. LTD.

PL Capital Markets Pvt. Ltd.
SEBI Registered Merchant Banker Category I [MB / INM 000011237]
Regd. Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Behind Mahindra Tower, Worli, Mumbai - 400 018.
CIN : U65190MH2007PTC169741 | Tel: +91 22 6632 2222, Fax: +91 22 6632 2229 | Email: invbanking@plindia.com, Website: www.plindia.com

Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

The above confirmation is based on the information furnished and explanations provided to us by the management of CFL and the Company assuming the same is complete and accurate in all material aspects. We have relied upon financials, information and representations furnished to us and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at July 17, 2018, unless expressly stated otherwise in the Abridged Prospectus. This certificate is for a specific purpose issued in terms of SEBI Circular and hence, it should not be used for any other purpose or transaction. This certificate is not, nor should it construed to be, a certification of compliance of the Scheme with the provisions of applicable laws including companies, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of the equity shares or secured or unsecured creditors (as the case may be) of CFL, the Company, CFSL and the Amalgamated Company should vote at their respective meetings (if convened) held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Amalgamated Company will trade following the Scheme or as to the financial performance of the Amalgamated Company following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether the shareholders/investors should buy, sell or hold any stake in the Amalgamated Company or any of its related parties (holding company/subsidiaries/associates etc.).

Thanking you,

Yours Sincerely,

PL CAPITAL MARKETS PVT. LTD.

For **PL CAPITAL MARKETS PRIVATE LIMITED**

D.J. KALYANIWALA
VICE PRESIDENT – INVESTMENT BANKING

Encl: as above

This abridged prospectus is prepared in compliance with the requirements under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") read with circular dated March 10, 2017 issued by Securities and Exchange Board of India ("**SEBI**"), bearing reference no. CFD/DIL3/CIR/2017/21, as amended from time to time ("**SEBI Circular**"), and in accordance with Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**"), to the extent applicable ("**Abridged Prospectus**").

This is an Abridged Prospectus containing salient features of the business of Capital First Home Finance Limited ("**Amalgamating Company 2**" or "**Company**") and the composite scheme of amalgamation of Capital First Limited ("**Amalgamating Company 1**"), the Amalgamating Company 2 and Capital First Securities Limited ("**Amalgamating Company 3**") with IDFC Bank Limited ("**Amalgamated Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**").

THIS ABRIDGED PROSPECTUS CONTAINS 9 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

NO EQUITY SHARES ARE PROPOSED TO BE ISSUED OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS.

You may also download the Scheme from the websites of Amalgamating Company 1 and the stock exchanges where the equity shares of the Amalgamating Company 1 are listed i.e., the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") *viz.* www.capitalfirst.com, www.bseindia.com and www.nseindia.com respectively.

CAPITAL FIRST HOME FINANCE LIMITED

Registered Office and Corporate Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013

Contact Person: Mr. Daryl Dsouza (Chief Executive Officer) **Telephone:** +91 22 4042 3400

E-mail: secretarial@capitalfirst.com **Website:** www.capitalfirsthousing.com **CIN: U65192MH2010PLC211307**

NAME OF THE PROMOTER OF THE COMPANY

CAPITAL FIRST LIMITED

SCHEME DETAILS AND PROCEDURE

The Scheme between and amongst the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively, "**Amalgamating Companies**") and the Amalgamated Company contemplates: **(i)** amalgamation of the Amalgamating Company 1 with the Amalgamated Company and the dissolution without winding-up of the Amalgamating Company 1 pursuant thereto; and **(ii)** subsequent amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company and the dissolution without winding-up of Amalgamating Company 2 and Amalgamating Company 3 thereto.

The Scheme is subject to the receipt of approval from the Reserve Bank of India ("**RBI**") under the RBI (Amalgamation of Private Sector Banks) Directions, 2016, and other statutory and regulatory approvals, including the approvals of the Competition Commission of India ("**CCI**"), BSE, NSE, SEBI, the National Company Law Tribunal ("**NCLT**"), the National Housing Bank ("**NHB**"), and the respective shareholders and creditors of the Amalgamating Companies and the Amalgamated Company. The appointed date would be April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company.

Pursuant to the Scheme becoming effective, the shareholders of the Amalgamating Company 1 will receive fully paid up equity shares of the Amalgamated Company in accordance with the share exchange ratio contemplated in the Scheme i.e., for every 10 (Ten) fully paid up equity shares of the Amalgamating Company 1, the shareholders of the Amalgamating Company 1 will receive 139 (One Hundred Thirty Nine) fully paid equity shares of the Amalgamated Company. Consequently, no consideration shall be payable pursuant to the amalgamation of the Company and Amalgamating Company 3 into the Amalgamated Company and the securities held by the Amalgamated Company and its nominees in the Company and Amalgamating Company 3 (after giving effect to the Scheme) shall stand cancelled without any further act, application or deed.

For the purposes of obtaining approval under Regulation 37 of the Listing Regulations, the designated stock exchange is BSE.

ELIGIBILITY

- This Abridged Prospectus is made in compliance with the Regulation 37 of the Listing Regulations read with the SEBI Circular and Part D of Schedule VIII of the ICDR Regulations.
- The Board of Directors of the Company, at their meeting held on January 13, 2018 considered and approved the Scheme.
- The NHB has pursuant to its letter dated February 16, 2018, provided its no objection to the proposed Scheme subject to compliance with the applicable provisions of the relevant acts, rules, regulations, etc.
- The CCI has, at its meeting held on March 7, 2018, considered the proposed combination and approved the same under sub-section (1) of Section 31 of the Competition Act, 2002 by way of the letter dated March 7, 2018. The detailed order of the CCI in relation to the said approval was issued by CCI on April 23, 2018.
- BSE has, pursuant to its letter dated March 14, 2018, provided its prior approval for the proposed Scheme with respect to the Amalgamated Company's trading membership in the Currency Derivative Segment of BSE.
- NSE has, pursuant to its letter dated March 26, 2018, provided its prior approval for the proposed Scheme with respect to the Amalgamated Company's trading membership in the Currency Derivative Segment of NSE.
- BSE has pursuant to its letter dated May 25, 2018 provided its observation letter with "no adverse observations" to the proposed Scheme.
- NSE has pursuant to its letter dated May 25, 2018 provided its observation letter with "no objection" to the proposed Scheme.
- RBI has pursuant to its letter dated June 4, 2018 conveyed its "no objection" to the proposed Scheme subject to the terms and conditions specified therein.
- The Scheme remains subject to the receipt of approval from the respective shareholders and creditors of the Amalgamated Company and the Amalgamating Companies, National Company Law Tribunal, fulfilment of certain terms and conditions mentioned in the approvals received and other statutory and regulatory approvals, if any.
- Pursuant to the Scheme becoming effective, the shareholders of the Amalgamating Company 1 will receive fully paid up equity shares of the Amalgamated Company in accordance with the share exchange ratio contemplated in the Scheme. Consequently, no consideration shall be payable pursuant to the amalgamation of the Company and Amalgamating Company 3 into the Amalgamated Company and the securities held by the Amalgamated Company and its nominees in the Company and Amalgamating Company 3 (after giving effect to the Scheme) shall stand cancelled without any further act, application or deed.

INDICATIVE TIMETABLE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to the public at large. Even after the receipt of the aforementioned statutory and regulatory approvals, the Scheme still remains subject to the receipt of approval from the respective shareholders and creditors of the Amalgamated Company and the Amalgamating Companies, National Company Law Tribunal, fulfilment of certain terms and conditions mentioned in the approvals received and other statutory and regulatory approvals (if any), the time frame for obtaining such approvals (statutory and regulatory) in relation to the Scheme cannot be established with certainty. However, Clause 37.1 of the Scheme contemplates the completion of the proposed transactions under the Scheme within a period of 15 (fifteen) months from the date of approval (being January 13, 2018) of the Scheme by the respective board of directors of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective board of directors of each of the Amalgamating Companies and the Amalgamated Company (who are empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)).

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the issuer and this issue, including the risks involved. The equity shares have not been recommended or approved by the SEBI - **THIS IS NOT APPLICABLE IN THE PRESENT CASE**

SEBI does not guarantee the accuracy or adequacy of the contents of the Abridged Prospectus. Specific attention of the investors is invited to the section titled "Internal Risk Factors" at page 8 of this Abridged Prospectus.

PRICE INFORMATION OF BRLM'S

Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 180th calendar days from listing
THIS IS NOT APPLICABLE IN THE PRESENT CASE				

Name and details of the Merchant Banker who will certify the accuracy and adequacy of the disclosures in this Abridged Prospectus	**PL Capital Markets Private Limited** **Address:** 3rd Floor, Sadhana House, 570, P.B. Marg, Worli, Mumbai – 400 018 **Contact Person:** Mr. Rohan Menon **Email:** invbanking@plindia.com **Telephone No.:** +91 22 6632 2222 **Fax:** +91 22 6632 2229 **SEBI Registration No.:** INM000011237
Names of Syndicate Members	**Not applicable**
Name of Registrar to the Issue and contact details (telephone and email id)	**Not applicable**
Name of the Statutory Auditor	BSR & Co. LLP, Chartered Accountants **ICAI Firm Registration No.**: 101248W/W-100022
Name of Credit Rating Agency and the rating or grading obtained, if any	**Not applicable**
Name of Debenture trustee, if any	**Not applicable**
Self Certified Syndicate Banks	**Not applicable**

Non Syndicate Registered Brokers	**Not applicable**
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	**Not applicable**

PROMOTER OF THE COMPANY

The current promoter of the Company is Amalgamating Company 1. The entire share capital of the Company is currently held by Amalgamating Company 1.

Amalgamating Company 1 was originally incorporated on October 18, 2005 as a private limited company under the provisions of the Companies Act, 1956. Amalgamating Company 1 converted to a public limited company with effect from August, 31, 2006. Please note that the name of Amalgamating Company 1 underwent several changes and was finally changed to Capital First Limited and a fresh certificate of incorporation consequent to the change of the name was granted to Amalgamating Company 1 on November 8, 2012 by the Registrar of Companies ("**RoC**"). The Corporate Identity Number of Amalgamating Company 1 is L29120MH2005PLC156795.

Amalgamating Company 1 has its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013. It is registered with RBI as a systemically important non-deposit taking non-banking financial company. It is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology. The equity shares of Amalgamating Company 1 are listed on BSE and NSE. The non-convertible debentures issued by the Amalgamating Company 1 are listed on NSE debt market segment.

List of top 5 largest listed group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009

As per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) of the SEBI (ICDR) Regulations, 2009, if a company does not have top 5 largest listed group companies then it must provide details for top 5 unlisted group companies (as may be applicable). Therefore, the list* is as follows:

(i) Capital First Home Finance Limited; and
(ii) Capital First Commodities Limited; and
(iii) Capital First Securities Limited.

* The companies set out at (i) - (iii) above are all wholly owned subsidiaries of Amalgamating Company 1.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

Amalgamating Company 2 having CIN U65192MH2010PLC211307 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as on March 31, 2018, the assets under management are approximately Rs. 2,078,42,68,832 (Rupees Two Thousand and Seventy Eight Crores Forty Two Lakhs Sixty Eight Thousand Eight Hundred and Thirty Two). The amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients. The equity shares of Amalgamating Company 2 are not listed. The non-convertible debentures issued by the Amalgamating Company 2 are listed on the BSE debt market segment.

One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013 India.
T: +91 22 4042 3400, F: +91 22 4042 3401, W: www.capitalfirsthousing.com, Email ID: customer.care@capitalfirst.com
CIN NO. U65192MH2010PLC211307

BOARD OF DIRECTORS OF COMPANY AS ON JUNE 30, 2018			
Sr. No.	**Name**	**Designation (Independent /Whole time / Executive / Nominee)**	**Experience including current / past position held in other firms**
1.	Mr. V. Vaidyanathan	Non-Executive Director	He is an alumnus of Birla Institute of Technology and Harvard Business School. He was earlier the Managing Director and Chief Executive Officer of ICICI Prudential Life Insurance and an executive director on the Board of ICICI Bank Limited He has 27 years of experience in the financial sector.
2.	Mr. M.S. Sundara Rajan	Non-Executive & Independent Director	He is a Post Graduate in Economics from University of Madras with specialisation in Mathematical Economics, National Income and Social Accounting. He is also a Certified Associate of Indian Institute of Bankers and Associate Member of Institute of Company Secretaries of India. He is the former Chairman & Managing Director of Indian Bank. He has a total experience of over 39 years in the banking industry.
3.	Dr. (Mrs.) Brinda Jagirdar	Non-Executive & Independent Director	She holds, a Ph.D. in Economics, University of Mumbai, M.S. in Economics from the University of California, M.A. in Economics from Gokhale Institute, Pune and B.A. in Economics from Fergusson College, Pune. She is the former Chief Economist of State Bank of India. She has over 37 years of experience in the banking industry.
4.	Mr. Nihal Desai	Non-Executive Director	He holds a degree in B.E. in Computer Science and Masters in Business Administration. He has been part of numerous management trainings from institutes including Wharton and IIM-Ahmedabad. He has more than 24 years of work experience in the Financial Services domain.
5.	Mr. Apul Nayyar	Non-Executive Director	He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has successfully concluded Global Program for Management Development from Ross School of Business, Michigan, USA. He has more than 20 years of experience in the financial services industry.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues/ rights issues, if any, of the Company in the preceding 10 years – **THIS IS NOT APPLICABLE IN THE PRESENT CASE**

RATIONALE FOR THE SCHEME

This Abridged Prospectus has been prepared in compliance with the requirements under Regulation 37 of the Listing Regulations read with the SEBI Circular, and in accordance with Part D of Schedule VIII of the ICDR Regulations, to the extent applicable. Pursuant to the Scheme, inter alia, the Company will amalgamate with the Amalgamated Company and dissolve without winding-up thereto.

The rationale for the amalgamation of the Amalgamating Companies with Amalgamated Company is as follows:

- The Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

- The Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;

- The Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;

- The Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;

- The Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;

- The loan book of the Amalgamating Company 1 is highly diversified and as of March 31, 2018 there are 33,65,005 live customers and 60,82,970 cumulative customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;

- The Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

- In the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;

- The Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system

which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;

- Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of March 31, 2018, the assets under management are approximately Rs. 2,078,42,68,832 (Rupees Two Thousand and Seventy Eight Crores Forty Two Lakhs Sixty Eight Thousand Eight Hundred and Thirty Two). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;

- As of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

- The Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.

SHAREHOLDING PATTERN AS ON JUNE 30, 2018			
Sr. No.	**Particulars**	**Number of shares**	**Holding %**
1.	Promoter & Promoter Group	13,77,33,079*	100
2.	Public	Nil	Nil
	Total	13,77,33,079	100

* Amalgamating Company 1 along with its nominee shareholders holds 100% shareholding in the Company

AUDITED FINANCIALS

(in Rs. unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017	March, 31 2016	March, 31 2015	March, 31 2014
Total income from operations (net)	1,682,794,163	708,309,080	361,129,524	169,419,383	23,779,500
Net Profit / (Loss) before tax and extraordinary items	157,126,569	97,107,284	93,367,322	30,093,923	25,614,346
Net Profit / (Loss) after tax and extraordinary items	110,813,121	64,384,466	62,419,592	20,157,416	17,205,989
Equity Share Capital	1,377,330,790	663,045,150	663,045,150	362,750,000	362,750,000
Reserves and Surplus	642,359,050	251,549,782	187,165,316	49,408,258	29,250,842
Net worth	2,019,689,840	914,594,932	850,210,466	412,158,258	392,000,842
Basic earnings per share (Rs.)	0.97	0.97	1.17	0.56	0.47
Diluted earnings per share (Rs.)	0.97	0.97	1.17	0.56	0.47
Return on net worth (%)	5.49	7.04	7.34	4.89	4.39
Net asset value per share (Rs.)	14.66	13.79	12.82	11.36	10.81

The Company does not have any subsidiaries and therefore the requirement to provide consolidated financial results is **NOT APPLICABLE IN THE PRESENT CASE.**

CAPITAL FIRST HOME FINANCE LIMITED

CAPITAL MARKETS PVT. LTD.

One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013 India.
T: +91 22 4042 3400, F: +91 22 4042 3401, W: www.capitalfirsthousing.com, Email ID: customer.care@capitalfirst.com
CIN NO. U65192MH2010PLC211307

INTERNAL RISK FACTORS

The below mentioned risks are the top 9 (nine) internal risk factors:

1. The profitability of the Company can be affected due to non-payment by the borrowers and other counterparties. Since most of our Company's borrowers are individuals and small and medium size companies, our Company's credit risk could be higher due to their potential inability to adapt to changes in the economic scenario, industrial scenario, global technologies, Indian regulatory and political environment. This may lead to an increase in the number and value of our Company's non-performing assets.

2. Our financial performance is particularly affected by interest rate volatility. Interest rates are sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Any fluctuations in the interest rates can adversely affect our borrowing costs, interest income and net interest margin, which can adversely affect results of our operations.

3. The business of the Company requires substantial debt. Our ability to borrow on acceptable terms and at competitive rates continues to depend on various factors, *inter alia*, our credit ratings, the regulatory environment, liquidity in the markets, policy initiatives in India, the perception of investors and lenders of demand for debt of HFCs, and our current and future results of operations and financial condition. Any disruption in debt funding sources will have a material adverse effect on the financial condition, results of operations and cash flows.

4. We are subject to regulations framed by applicable authorities. There can be no assurance that the applicable laws will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our Company's business and future financial performance.

5. The value of collateral may decrease or we may experience delays in enforcing the sale of collateral when borrowers default on their obligations to us, which may result in failure to recover the expected value of collateral security, exposing us to a potential loss.

6. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs which could have an adverse impact on our business and financial performance.

7. If we are unable to comply with the capital adequacy requirements stipulated by the NHB, our business, results of operations and cash flows may be materially and adversely affected.

8. We are dependent on our mortgage loans for a substantial part of our business and any adverse developments in this segment could adversely affect our financial condition and results of operations and cash flows.

9. We are reliant on information technology ("**IT**") systems in connection with financial controls, risk management and transaction processing and weaknesses, disruption or failures in IT systems could adversely impact our business.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and the amount involved: As on the date of this Abridged Prospectus, there are 4 civil litigations (including consumer cases) against the Company and the aggregate amount involved therein is Rs. 10,57,000 (Ten Lakhs and Fifty Seven Thousand Only).

One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013 India.
T: +91 22 4042 3400, F: +91 22 4042 3401, W: www.capitalfirsthousing.com, Email ID: customer.care@capitalfirst.com
CIN NO. U65192MH2010PLC211307

B. Brief details of top 5 material outstanding litigations against it and the amount involved: As on the date of this Abridged Prospectus, there are no material litigations pending against the Company.

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoter / group companies in last 5 financial years including outstanding action, if any:

One of our group companies, namely, Amalgamating Company 3, prior to the closure of its business of securities broking, received an inspection report of SEBI (after SEBI conducted annual inspection of Amalgamating Company 3) dated July 24, 2013 bearing reference number MIRSD1/OW/18217/2013 that consisted of observations of SEBI against Amalgamating Company 3. Amalgamating Company 3 submitted its reply to SEBI pursuant to a letter dated July 30, 2013. SEBI, after consideration of the said reply, issued an administrative warning to Amalgamating Company 3 dated August 27, 2013 bearing reference number MIRSD-1/INSP/DH/OW/21547/2013 ("**Administrative Warning**"). SEBI's Administrative Warning took note of the sufficiency of compliances undertaken by Amalgamating Company 3 but highlighted two points of concern to Amalgamating Company 3 pursuant to its email dated January 31, 2014. In response to the Administrative Warning, Amalgamating Company 3 by its letter dated February 18, 2014 submitted to SEBI the "status of compliance" along with the various clarifications and justifications in support of such status of compliance. Since the submission of the "status of compliance" by Amalgamating Company 3, there has been no follow up from SEBI in relation to the said Administrative Warning.

As on the date of this Abridged Prospectus, save and except the Administrative Warning summarised above, no regulatory action or disciplinary action has been taken by SEBI or stock exchanges against the Promoter, group companies and the Company in the last five (5) financial years.

D. Brief details of outstanding criminal proceedings against Promoters: As on the date of this Abridged Prospectus, there are no criminal proceedings pending against the Promoter of our Company.

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY – NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the SEBI Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For and on behalf of **Capital First Home Finance Limited**

Name: Deepak Kundalia
Designation: Chief Financial Officer

Date: July 17, 2018
Place: Mumbai

Capital First Home Finance Limited
One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013 India.
T: +91 22 4042 3400, F: +91 22 4042 3401, W: www.capitalfirsthousing.com, Email ID: customer.care@capitalfirst.com
CIN NO. U65192MH2010PLC211307

Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

July 17, 2018

The Board of Directors,
Capital First Securities Limited,
One Indiabulls Centre,
Tower 2A & 2B, 10th Floor,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400013

Dear Sir/Ma'am,

Subject: Composite Scheme of Amalgamation of Capital First Limited ("CFL"), Capital First Home Finance Limited ("CFHFL") and Capital First Securities Limited (the "Company") with IDFC Bank Limited ("Amalgamated Company") (the "Scheme") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

This is with reference to our engagement letter dated May 31, 2018 entered into with CFL for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to CFL and the Company made in the Abridged Prospectus (as defined below), prepared by the Company, to be sent to the shareholders and creditors (both secured as well as unsecured) of the Company and the Amalgamated Company, pursuant to the Scheme.

The Scheme involves the amalgamation of CFL, CFHFL and the Company with the Amalgamated Company. No consideration shall be payable pursuant to the amalgamation of CFHFL and the Company into the Amalgamated Company and the securities held by the Amalgamated Company and its nominees in CFHFL and the Company (after giving effect to the Scheme) shall stand cancelled without any further act, application or deed. The Company is a wholly owned subsidiary of CFL. Accordingly, we have been provided with the abridged prospectus pertaining to the Company (**"Abridged Prospectus"**, as enclosed) as prepared by the Company. The Abridged Prospectus will be circulated to the members and creditors (as the case may be) of CFL, CFHFL, the Company and the Amalgamated Company at the time of seeking their approval to the Scheme as part of the explanatory statement to the notice.

Based on the information, undertakings, certificates, confirmations and documents provided to us by the Company, we hereby confirm that the information contained in the Abridged Prospectus is accurate and adequate in terms of paragraph A(3)(a) of Part I of Annexure I of the SEBI Circular bearing reference number CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended (**"SEBI Circular"**) read with the format provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and SEBI Circular bearing reference number CIR/CFD/DIL/7/2015 dated October 30, 2015, as applicable.

PL CAPITAL MARKETS PVT. LTD.

PL Capital Markets Pvt. Ltd.
SEBI Registered Merchant Banker Category I [MB / INM 000011237]
Regd. Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Behind Mahindra Tower, Worli, Mumbai - 400 018.
CIN : U65190MH2007PTC169741 | Tel: +91 22 6632 2222, Fax: +91 22 6632 2229 | Email: invbanking@plindia.com, Website: www.plindia.com

The above confirmation is based on the information furnished and explanations provided to us by the management of CFL and the Company assuming the same is complete and accurate in all material aspects. We have relied upon financials, information and representations furnished to us and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at July 17, 2018, unless expressly stated otherwise in the Abridged Prospectus. This certificate is for a specific purpose issued in terms of SEBI Circular and hence, it should not be used for any other purpose or transaction. This certificate is not, nor should it construed to be, a certification of compliance of the Scheme with the provisions of applicable laws including companies, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of the equity shares or secured or unsecured creditors (as the case may be) of CFL, CFHFL, the Company and the Amalgamated Company should vote at their respective meetings (if convened) held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Amalgamated Company will trade following the Scheme or as to the financial performance of the Amalgamated Company following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether the shareholders/investors should buy, sell or hold any stake in the Amalgamated Company or any of its related parties (holding company/subsidiaries/associates etc.).

Thanking you,

Yours Sincerely,

For **PL CAPITAL MARKETS PRIVATE LIMITED**

PL CAPITAL MARKETS PVT. LTD.

D.J. KALYANIWALA
VICE PRESIDENT – INVESTMENT BANKING

Encl: as above

This abridged prospectus is prepared in compliance with the requirements under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") read with circular dated March 10, 2017 issued by Securities and Exchange Board of India ("**SEBI**"), bearing reference no. CFD/DIL3/CIR/2017/21, as amended from time to time ("**SEBI Circular**"), and in accordance with Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**"), to the extent applicable ("**Abridged Prospectus**").

This is an Abridged Prospectus containing salient features of the business of Capital First Securities Limited ("**Amalgamating Company 3**" or "**Company**") and the composite scheme of amalgamation of Capital First Limited ("**Amalgamating Company 1**"), Capital First Home Finance Limited ("**Amalgamating Company 2**") and Amalgamating Company 3 with IDFC Bank Limited ("**Amalgamated Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**").

THIS ABRIDGED PROSPECTUS CONTAINS 9 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

NO EQUITY SHARES ARE PROPOSED TO BE ISSUED OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS.

You may also download the Scheme from the websites of Amalgamating Company 1 and the stock exchanges where the equity shares of the Amalgamating Company 1 are listed i.e., the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") *viz.* www.capitalfirst.com, www.bseindia.com and www.nseindia.com, respectively.

CAPITAL FIRST SECURITIES LIMITED

Registered Office: Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400093

Corporate Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013

Contact Person: Mr. Anand Rai (Managing Director) **Telephone: +91 22 4042 3400**

E-mail: secretarial@capitalfirst.com **Website:** www.capitalfirst.com **CIN: U66010MH2007PLC169687**

NAMES OF PROMOTER OF THE COMPANY
CAPITAL FIRST LIMITED

SCHEME DETAILS AND PROCEDURE

The Scheme between and amongst the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively, "**Amalgamating Companies**") and the Amalgamated Company contemplates: **(i)** amalgamation of the Amalgamating Company 1 with the Amalgamated Company and the dissolution without winding-up of the Amalgamating Company 1 pursuant thereto; and **(ii)** subsequent amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company and the dissolution

without winding-up of Amalgamating Company 2 and Amalgamating Company 3 thereto.

The Scheme is subject to the receipt of approval from the Reserve Bank of India ("**RBI**") under the RBI (Amalgamation of Private Sector Banks) Directions, 2016, and other statutory and regulatory approvals, including the approvals of the Competition Commission of India ("**CCI**"), BSE, NSE, SEBI, the National Company Law Tribunal ("**NCLT**"), the National Housing Bank ("**NHB**"), and the respective shareholders and creditors of the Amalgamating Companies and the Amalgamated Company. The appointed date would be April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company.

Pursuant to the Scheme becoming effective, the shareholders of the Amalgamating Company 1 will receive fully paid up equity shares of the Amalgamated Company in accordance with the share exchange ratio contemplated in the Scheme i.e., for every 10 (Ten) fully paid up equity shares of the Amalgamating Company 1, the shareholders of the Amalgamating Company 1 will receive 139 (One Hundred Thirty Nine) fully paid equity shares of the Amalgamated Company. Consequently, no consideration shall be payable pursuant to the amalgamation of Amalgamating Company 2 and the Company into the Amalgamated Company and the securities held by the Amalgamated Company and its nominees in Amalgamating Company 2 and the Company (after giving effect to the Scheme) shall stand cancelled without any further act, application or deed.

For the purposes of obtaining approval under Regulation 37 of the Listing Regulations, the designated stock exchange is BSE Limited.

ELIGIBILITY

- This Abridged Prospectus is made in compliance with the Regulation 37 of the Listing Regulations read with the SEBI Circular and Part D of Schedule VIII of the ICDR Regulations.
- The Board of Directors of the Company, at their meeting held on January 13, 2018 considered and approved the Scheme.
- The NHB has pursuant to its letter dated February 16, 2018, provided its no objection to the proposed Scheme subject to compliance with the applicable provisions of the relevant acts, rules, regulations, etc.
- The CCI has, at its meeting held on March 7, 2018, considered the proposed combination and approved the same under sub-section (1) of Section 31 of the Competition Act, 2002 by way of the letter dated March 7, 2018. The detailed order of the CCI in relation to the said approval was issued by CCI on April 23, 2018.
- BSE has, pursuant to its letter dated March 14, 2018, provided its prior approval for the proposed Scheme with respect to the Amalgamated Company's trading membership in the Currency Derivative Segment of BSE.
- NSE has, pursuant to its letter dated March 26, 2018, provided its prior approval for the proposed Scheme with respect to the Amalgamated Company's trading membership in the Currency Derivative Segment of NSE.
- BSE has pursuant to its letter dated May 25, 2018 provided its observation letter with "no adverse observations" to the proposed Scheme.
- NSE has pursuant to its letter dated May 25, 2018 provided its observation letter with "no objection" to the proposed Scheme.
- The RBI has pursuant to its letter dated June 4, 2018 conveyed its "no objection" to the proposed Scheme subject to the terms and conditions specified therein.

Capital First Securities Limited

Technopolis Knowledge Park, A-Wing, 4th Floor, 401 -407, Mahakali Caves Road, Opp. Holy Family School, Chakala, Andheri (E), Mumbai - 400 093. T: 022 - 6197 9100, F: 022 6197 9199, CIN : U6601MH2007PLC169687

- The Scheme remains subject to the receipt of approval from the respective shareholders and creditors of the Amalgamated Company and the Amalgamating Companies, National Company Law Tribunal, fulfilment of certain terms and conditions mentioned in the approvals received and other statutory and regulatory approvals, if any.

- Pursuant to the Scheme becoming effective, the shareholders of the Amalgamating Company 1 will receive fully paid up equity shares of the Amalgamated Company in accordance with the share exchange ratio contemplated in the Scheme. Consequently, no consideration shall be payable pursuant to the amalgamation of Amalgamating Company 2 and the Company into the Amalgamated Company and the securities held by the Amalgamated Company and its nominees in Amalgamating Company 2 and the Company (after giving effect to the Scheme) shall stand cancelled without any further act, application or deed.

INDICATIVE TIMETABLE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Even after the receipt of the aforementioned statutory and regulatory approvals, the Scheme still remains subject to the receipt of approval from the respective shareholders and creditors of the Amalgamated Company and the Amalgamating Companies, National Company Law Tribunal, fulfilment of certain terms and conditions mentioned in the approvals received and other statutory and regulatory approvals (if any), the time frame for obtaining such approvals (statutory and regulatory) in relation to the Scheme cannot be established with certainty. However, Clause 37.1 of the Scheme contemplates the completion of the proposed transactions under the Scheme within a period of 15 (fifteen) months from the date of approval (being January 13, 2018) of the Scheme by the respective board of directors of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective board of directors of each of the Amalgamating Companies and the Amalgamated Company (who are empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)).

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the issuer and this issue, including the risks involved. The equity shares have not been recommended or approved by the SEBI - **THIS IS NOT APPLICABLE IN THE PRESENT CASE**

SEBI does not guarantee the accuracy or adequacy of the contents of the Abridged Prospectus. Specific attention of the investors is invited to the section titled "Internal Risk Factors" at page 8 of this Abridged Prospectus.

PRICE INFORMATION OF BRLM'S

Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 180th calendar days from listing
THIS IS NOT APPLICABLE IN THE PRESENT CASE				

Capital First Securities Limited

Technopolis Knowledge Park, A-Wing, 4th Floor, 401 -407, Mahakali Caves Road, Opp. Holy Family School, Chakala, Andheri (E), Mumbai - 400 093. T: 022 - 6197 9100, F: 022 6197 9199, CIN : U6601MH2007PLC169687

Name and details of the Merchant Banker who will certify the accuracy and adequacy of the disclosures in this Abridged Prospectus	**PL Capital Markets Private Limited** **Address:** 3rd Floor, Sadhana House, 570, P.B. Marg, Worli, Mumbai – 400 018 **Contact Person:** Mr. Rohan Menon **Email:** invbanking@plindia.com **Telephone No.:** +91 22 6632 2222 **Fax:** +91 22 6632 2229 **SEBI Registration No.:** INM000011237
Names of Syndicate Members	**Not applicable**
Name of Registrar to the Issue and contact details (telephone and email id)	**Not applicable**
Name of the Statutory Auditor	**BSR & Co. LLP, Chartered Accountants** **ICAI Firm Registration No.**: 101248W/W-100022
Name of Credit Rating Agency and the rating or grading obtained, if any	**Not applicable**
Name of Debenture trustee, if any	**Not applicable**
Self Certified Syndicate Banks	**Not applicable**
Non Syndicate Registered Brokers	**Not applicable**
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	**Not applicable**

PROMOTER OF THE COMPANY

The current promoter of the Company is Amalgamating Company 1. The entire share capital of the Company is currently held by Amalgamating Company 1.

Amalgamating Company 1 was originally incorporated on October 18, 2005 as a private limited company under the provisions of the Companies Act, 1956. Amalgamating Company 1 converted to a public limited company with effect from August, 31, 2006. Please note that the name of the Amalgamating Company 1 underwent several changes and was finally changed to Capital First Limited and a fresh certificate of incorporation consequent to the change of the name was granted to Amalgamating Company 1 on November 8, 2012 by the Registrar of Companies ("**RoC**"). The Corporate Identity Number of Amalgamating Company 1 is L29120MH2005PLC156795.

Amalgamating Company 1 has its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013. It is registered with RBI as a systemically important non-deposit taking non-banking financial company. It is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology. The equity shares of Amalgamating Company 1 are listed on BSE and NSE. The non-convertible debentures issued by the Amalgamating Company 1 are listed on NSE debt market segment.

List of top 5 largest listed group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009

As per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) of the SEBI (ICDR) Regulations, 2009, if a

company does not have top 5 largest listed group companies then it must provide details for top 5 unlisted group companies (as may be applicable). Therefore, the list* is as follows:

(i) Capital First Securities Limited;
(ii) Capital First Home Finance Limited; and
(iii) Capital First Commodities Limited

* The companies set out at (i) - (iii) above are all wholly owned subsidiaries of Amalgamating Company 1.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

Amalgamating Company 3 having CIN U66010MH2007PLC169687 was earlier engaged in the business of securities broking and was also registered as a depository participant with Central Depository Services Limited. As of November 13, 2013, the Amalgamating Company 3 decided to close its broking business as a result of which it stopped its business operations since then. Presently, Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3. The equity shares of Amalgamating Company 3 are not listed.

BOARD OF DIRECTORS OF COMPANY AS ON JUNE 30, 2018

Sr. No.	Name	Designation (Independent /Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1.	Mr. Anand Rai	Managing Director	He is a qualified Company Secretary from the Institute of Company Secretaries of India. He has 16 years of experience in the financial services industry.
2.	Mr. Kailasam Raghuraman	Non- Executive & Independent Director	He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has 35 years of experience in the financial services industry.
3.	Mr. Gourav Mardia	Non- Executive & Independent Director	He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has 13 years of experience in the financial services industry.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues/ rights issues, if any, of the Company in the preceding 10 years – **THIS IS NOT APPLICABLE IN THE PRESENT CASE**

RATIONALE FOR THE SCHEME

This Abridged Prospectus has been prepared in compliance with the requirements under Regulation 37 of the Listing Regulations read with the SEBI Circular, and in accordance with Part D of Schedule VIII of the ICDR Regulations, to the extent applicable. Pursuant to the Scheme, inter alia, the Company will amalgamate with the Amalgamated Company and dissolve without winding-up thereto.

The rationale for the amalgamation of the Amalgamating Companies with Amalgamated Company is as follows:

- The Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

- The Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;

- The Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;

- The Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;

- The Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;

- The loan book of the Amalgamating Company 1 is highly diversified and as of March 31, 2018 there are 33,65,005 live customers and 60,82,970 cumulative customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;

- The Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

- In the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;

- The Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;

- Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of of March 31, 2018, the assets under management are

approximately Rs. 2,078,42,68,832 (Rupees Two Thousand and Seventy Eight Crores Forty Two Lakhs Sixty Eight Thousand Eight Hundred and Thirty Two). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;

- As of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

- The Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.

SHAREHOLDING PATTERN OF COMPANY AS ON JUNE 30, 2018			
Sr. No.	**Particulars**	**Number of shares**	**Holding %**
	Equity shares		
1.	Promoter & Promoter Group	5,53,55,600*	100
2.	Public	Nil	Nil
	Total	5,53,55,600	100
	Preference shares		
1.	Promoter & Promoter Group	12,00,000**	100
2.	Public	Nil	Nil
	Total	12,00,000	100

* Amalgamating Company 1 along with its nominee shareholders holds 100% shareholding in the Company
** held by Amalgamating Company 1

AUDITED FINANCIALS

(in Rs. unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Total income from operations (net)	220,558,691	133,629,689	20,599,354	222,782	69,508,369
Net Profit / (Loss) before tax and extraordinary items	217,114,702	130,472,471	14,877,660	(556,089)	(60,889,544)
Net Profit / (Loss) after tax and extraordinary items	176,550,889	143,130,002	14,877,660	(556,089)	(60,889,544)
Equity Share Capital	553,556,000	553,556,000	553,556,000	553,556,000	553,556,000
Preference share capital	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Reserves and Surplus	(18,500,638)	(195,051,527)	(338,181,529)	(353,059,191)	(352,503,102)
Net worth	655,055,362	478,504,473	335,374,471	320,496,809	321,052,898
Basic earnings per share (Rs.)	2.91	2.30	(0.01)	(0.29)	(1.38)
Diluted earnings per share (Rs.)	2.91	2.30	(0.01)	(0.29)	(1.38)
Return on net worth (%)	26.95	29.91	4.44	-0.17	-18.97
Net asset value per share (Rs.)	11.83	8.64	6.06	5.79	5.80

The Company does not consolidate its financials with the financials of its wholly owned subsidiary i.e., Capital First Commodities Limited in view of Section 129 of the Companies Act, 2013 read along with Rule 6(iii) of the Companies (Accounts) Rules, 2014 as the ultimate holding company i.e., Amalgamating Company 1 files consolidated financial statements. Therefore, the requirement to provide consolidated financial results is **NOT APPLICABLE IN THE PRESENT CASE.**

INTERNAL RISK FACTORS

The below mentioned risks are the top 5 (five) internal risk factors:

1. Any change in the technology may render our current technologies obsolete.

2. We face increasing competition in our business, which may result in declining margins if we are unable to compete effectively.

3. We are reliant on information technology ("**IT**") systems in connection with financial controls, risk management and transaction processing and weaknesses, disruption or failures in IT systems could adversely impact our business.

4. We are subject to regulations framed by applicable authorities. There can be no assurance that the applicable laws will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our Company's business and future financial performance.

5. Our Company's failure to maintain the quality standards of its services could adversely impact our business, results of operations and financial condition.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and the amount involved: As on the date of this Abridged Prospectus, there are no outstanding litigations against the Company.

B. Brief details of top 5 (five) material outstanding litigations against it and the amount involved: As on the date of this Abridged Prospectus, there are no material litigations pending against the Company.

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoter / group companies in last 5 (five) financial years including outstanding action, if any:

The Company, prior to the closure of its business of securities broking, received an inspection report of SEBI (after SEBI conducted annual inspection of Amalgamating Company 3) dated July 24, 2013 bearing reference number MIRSD1/OW/18217/2013 that consisted of observations of SEBI against the Company. The Company submitted its reply to SEBI pursuant to a letter dated July 30, 2013. SEBI, after consideration of the said reply, issued an administrative warning to the Company, dated August 27, 2013 bearing reference number MIRSD-1/INSP/DH/OW/21547/2013 ("**Administrative Warning**"). SEBI's Administrative Warning took note of the sufficiency of compliances undertaken by the Company but highlighted two points of concern to the Company in its email dated January 31, 2014. In response to the Administrative Warning, the Company by its letter dated February 18, 2014 submitted to SEBI the "status of compliance" along with the various clarifications and justifications in support of such status of compliance. Since the submission of the "status of compliance" by the Company, there has been no follow up from SEBI in relation to the said Administrative Warning.

As on the date of this Abridged Prospectus, save and except the Administrative Warning summarised above, no regulatory action or disciplinary action has been taken by SEBI or stock exchanges against the Promoter, group companies and the Company in the last 5 (five) financial years.

D. Brief details of outstanding criminal proceedings against Promoters: As on the date of this Abridged Prospectus, there are no criminal proceedings pending against the Promoter of the Company.

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY – NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the SEBI Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For and on behalf of **Capital First Securities Limited**

CAPITAL FIRST SECURITIES LIMITED

Name: Anand Rai
Designation: Managing Director

Date: July 17, 2018
Place: Mumbai

CAPITAL MARKETS PVT. LTD.

Capital First Securities Limited

Technopolis Knowledge Park, A-Wing, 4th Floor, 401 -407, Mahakali Caves Road, Opp. Holy Family School, Chakala, Andheri (E), Mumbai - 400 093. T: 022 - 6197 9100, F: 022 6197 9199, CIN : U6601MH2007PLC169687

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

ATTENDANCE SLIP

(To be presented at the entrance)

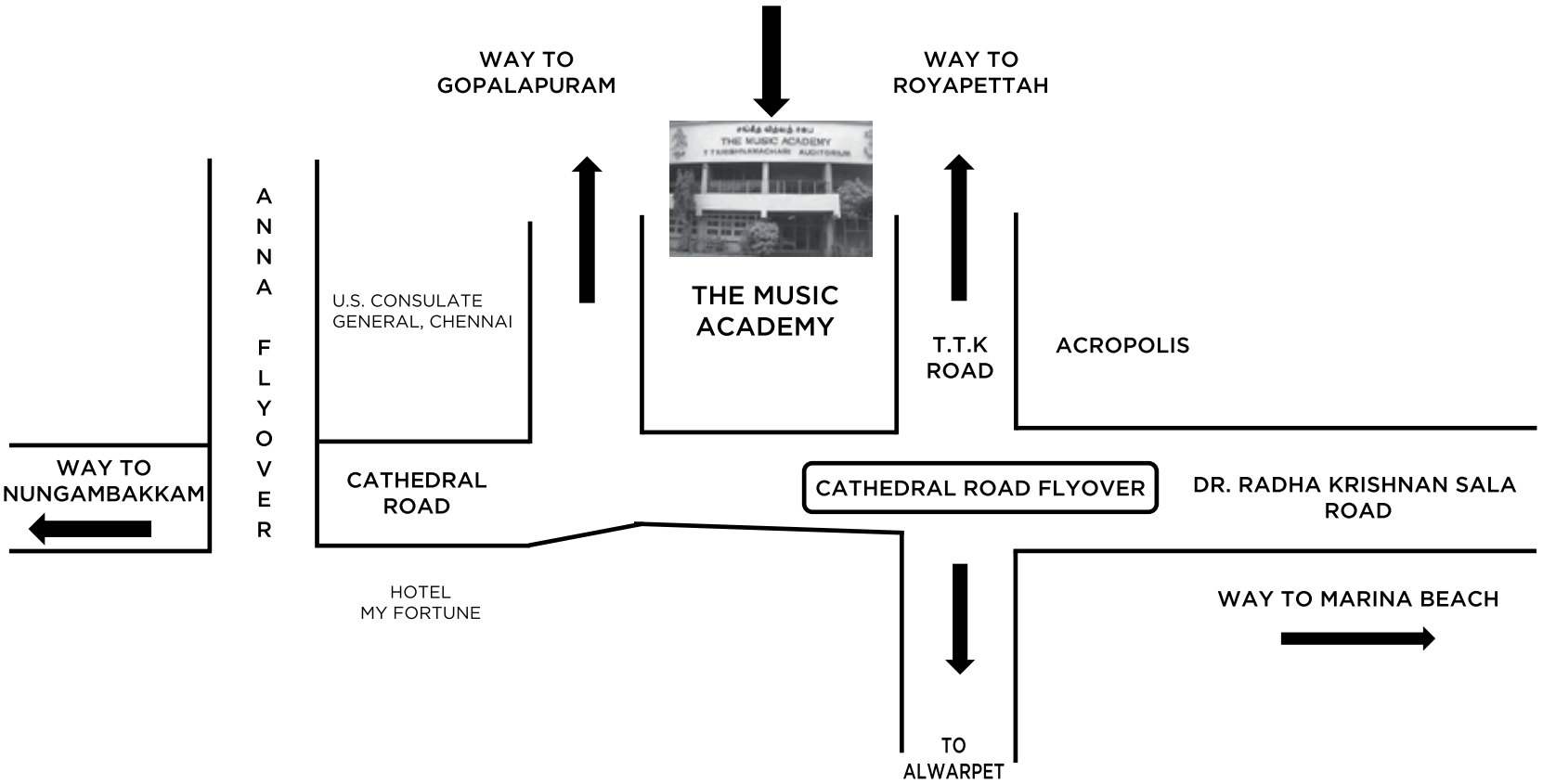
Regd. Folio No./DP ID & Client ID	
Name and Address of the Member	
Name(s) of the Joint Holder(s), if any	
No. of shares held	
Full name of Proxy/Authorised Representative	
Member's/Proxy's/Authorised Representative's Signature	

I hereby record my presence at the Meeting of the Equity Shareholders of the Applicant/Amalgamated Company, convened as per the directions of the National Company Law Tribunal, Chennai Bench, pursuant to the Order dated July 19, 2018 passed in Company Scheme Application No. 132 of 2018 held on **Monday, September 03, 2018** at **2:00 p.m.** at The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India.

Notes:

1. **A Member / Proxy / Authorised Representative needs to furnish duly signed 'Attendance Slip' along with a valid Identity proof such as PAN card, Passport, Aadhaar card or Driving License to enter the Meeting hall.**
2. Member / Proxy / Authorised Representative is requested to bring his / her copy of the Notice for reference at the Meeting.

THE MUSIC ACADEMY, T.T.K AUDITORIUM (MAIN HALL),
Near Acropolis Building, New No. 168 (Old No. 306),
T.T.K. Road, Royapettah, Chennai - 600 014



ROUTE MAP FOR IDFC BANK NCLT CONVENED MEETING

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

EQUITY SHAREHOLDERS

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :		
Registered address :		
Folio No. / DP ID No. Client ID No.:		E-mail Id:

I / We, being the holder(s) of _____Equity Shares of the Applicant/Amalgamated Company, hereby appoint :

1. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
2. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
3. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Meeting of the Equity Shareholders of the Applicant/Amalgamated Company, convened as per the directions of the National Company Law Tribunal, Chennai Bench pursuant to the Order dated July 19, 2018 passed in Company Scheme Application No. 132 of 2018 to be held on **Monday, September 03, 2018** at **2:00 p.m.** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India and at any adjournment thereof in respect of the resolution as is indicated below:

Sr. No.	Particulars	Vote (Optional#) (Please put a (✓) mark or please mention no. of shares)		
		For	Against	Abstain
1.	To approve the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013			

Signed this _____ day of _____ 2018

Affix Revenue Stamp of ₹ 1

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.

#2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

POSTAL BALLOT FORM

(Please read the instructions carefully before completing this form)

Last Date for receipt of this Postal Ballot Form is Sunday, September 02, 2018

Serial No.:

1. Name and registered address of the Sole/ First named Member (IN BLOCK LETTERS) :

2. Name(s) of the Joint holder(s) if any :

3. Registered Folio No./ DP ID No./ Client ID No. :

4. Number of Equity Shares held :

5. I/We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the Notice dated July 20, 2018 of IDFC Bank Limited by sending my/our assent (For) or dissent (Against) to the said resolution by placing the tick mark (✓) at the appropriate column below.

Description of Resolution	No. of Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Approval of Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.			

Place:

Date:

Signature of the Sole / First Named Member

Note:
For sending hard copy of the Postal Ballot Form, please refer the instructions overleaf.

INSTRUCTIONS

1. The Chennai Bench of the Hon'ble National Company Law Tribunal ('**NCLT**'), vide its Order dated July 19, 2018, has directed that a Meeting of the Equity Shareholders of the Applicant/Amalgamated Company be convened and held at The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014, Tamil Nadu, India on Monday, September 03, 2018 at 2:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. Pursuant to Sections 230 to 232, Section 108 and 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, assent or dissent of the Members in respect of the resolution detailed in the Notice dated July 20, 2018 is being additionally sought through Postal Ballot process/remote e-voting as per the directions of the NCLT.

3. **E-VOTING:** The Company is pleased to provide remote e-voting facility as an alternative for the Members to enable them to cast their votes electronically instead of through physical Postal Ballot Form. E-voting is optional. In case a Member has voted through remote e-voting facility, he/she need not send a physical Postal Ballot Form. If a Member votes through remote e-voting facility as well as sends his/her vote through physical Postal Ballot Form, the vote cast through e-voting shall only be considered and the voting through physical Postal Ballot Form shall not be considered by the Scrutinizer. Members are requested to refer to the Notice and notes thereto, for detailed instructions with respect to remote e-voting.

4. The voting period for Postal Ballot and remote e-voting shall commence on and from **Saturday, August 04, 2018 at 9:00 a.m.** IST and ends on **Sunday, September 02, 2018 at 5:00 p.m.** IST.

5. Duly completed Postal Ballot Form should reach the Scrutinizer not later than Sunday, September 02, 2018 at 5:00 p.m. IST. Postal Ballot Forms received thereafter will be strictly treated as if reply from such Member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before the last date, providing sufficient time for postal transit. Members from whom no Postal Ballot Form is received or received after the aforesaid stipulated date shall not be counted for voting on the resolution.

6. A Member desiring to exercise vote by remote e-voting/physical Postal Ballot Form is requested to carefully read the instructions printed in the Notice, as applicable, and cast their votes in electronic mode/return the duly completed form in the attached self-addressed postage pre-paid business reply envelope, so as to reach the Scrutinizer Mr. B Narasimhan, Practising Company Secretary of M/s. BN & Associates at Karvy Computershare Pvt. Ltd. Unit: IDFC Bank Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 TELANGANA, INDIA on or before 5:00 p.m. on Sunday, September 02, 2018.

7. Please convey your assent in column "FOR" or dissent in the column "AGAINST" by placing a tick (√) mark in the appropriate column in the Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.

8. The voting rights for the shares are one vote per equity share which is fully paid registered, in the name of the Members/beneficial owners as on **Friday, July 13, 2018**, being the 'cut-off date'.

9. Voting by Postal Ballot, in physical form or remote e-voting, can be exercised only by the Member or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person. Voting rights in a Postal Ballot cannot be exercised by a Proxy. Members can opt only one mode for voting i.e. Physical Ballot by way of Postal Ballot Form or Poll exercised at the Meeting or by remote e-voting.

10. In case the Member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered. However, Members who have cast their votes by remote e-voting or by Postal Ballot can also attend the Meeting.

11. A Member desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid business reply envelope which shall be properly sealed with adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the Member but using the self-addressed postage pre-paid envelope will also be accepted. Members are requested to convey their assent or dissent in this Postal Ballot Form only.

12. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Chairperson as per the directions of NCLT.

13. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Registrar/Depository. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered/recorded with the Registrar/ Depository) by the first named Member and in his/her absence, by the next named Member. Holders of Power of Attorney ('**POA**') on behalf of Member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.

14. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.

15. The number of shares in respect of which votes are cast should be mentioned in the column, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the Member in the respective column. A Member need not use all his/her votes.

16. Members are requested not to send any paper (other than the resolution/authority/POA) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

17. There will be only one Postal Ballot Form for every folio/client ID irrespective of the number of Joint Member(s). An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected.

18. A Member may request for a duplicate Postal Ballot Form, if so required and the same duly completed should reach the Scrutinizer not later than the last date and time for voting. On receipt of the duplicate Postal Ballot Form, the original will be rejected. Members desirous of obtaining a printed duplicate Postal Ballot Form, may write to the Bank on mahendra.shah@idfcbank.com or to the Registrar and Share Transfer Agent on einward.ris@karvy.com. The Registrar and Share Transfer Agent shall then forward the duplicate Postal Ballot Form along with postage-prepaid self-addressed business reply envelope to the Member. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date and time specified above.

19. The proposed Scheme of Amalgamation, if assented by majority of Members representing three-fourth in value of those Members who have voted either by Postal Ballot or remote e-voting or voting by Poll at the Meeting, shall be considered as passed on the date of the Meeting i.e. Monday, September 03, 2018. The result of the voting on the resolution will be declared on or before **Wednesday, September 05, 2018**.

20. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.

21. Any query in relation to the resolution may be sent to: mahendra.shah@idfcbank.com.

ANNEXURE 2

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF IDFC BANK LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

MEETING:

Day	:	Monday
Date	:	September 03, 2018
Time	:	11:00 a.m.
Venue	:	The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India

POSTAL BALLOT:

Start Date and Time	:	Saturday, August 04, 2018 at 9:00 a.m.
End Date and Time	:	Sunday, September 02, 2018 at 5:00 p.m.

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Before the National Company Law Tribunal, Chennai Bench
COMPANY SCHEME APPLICATION NO. 132 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT/AMALGAMATED COMPANY

To,

All the Unsecured Creditors of IDFC Bank Limited (the '**Applicant/Amalgamated Company**' or '**the Bank**'):

NOTICE is hereby given that by an Order dated July 19, 2018 in the above mentioned Company Scheme Application (the **'Order'**), the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**') has directed a Meeting be held of the Unsecured Creditors of the Applicant/Amalgamated Company for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation ('**Scheme**') of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('**Amalgamation**').

In pursuance of the said Order and as directed therein, further notice is hereby given that a Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company will be held on **Monday, September 03, 2018** at **11:00 a.m.**, at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India at which time and place the said Unsecured Creditors are requested to attend, to pass the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 230, Section 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules, circulars and notifications made thereunder, as may be applicable, the Banking Regulation Act, 1949, the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016, the Reserve Bank of India Act, 1934 and all circulars, notifications, guidelines, directions framed thereunder (including any statutory modification(s) or re-enactment(s) thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other applicable laws and regulations and subject to the provisions of the Memorandum and Articles of Association of the Bank and subject to approval of the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**') and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the '**Board**', which term shall be deemed to include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Amalgamation ('**Scheme**') of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors ('**Amalgamation**') as placed before this Meeting and initialed by the Chairperson of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board and Mr. Mahendra N. Shah – Group Company Secretary & Group Compliance Officer be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT or by any regulatory or other authorities while sanctioning the Scheme, as may be deemed fit."

Explanatory Statement under Section 230(3), Section 232(2) read with Section 102 of the Companies Act, 2013, along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith. Copies of the said Scheme and the Explanatory Statement along with Proxy Form, Attendance Slip and Postal Ballot Form can be obtained free of charge from the Registered Office of the Bank. Persons entitled to attend and vote at the Meeting, may vote in person or by Proxy, provided

that all proxies in the prescribed form are deposited at the Registered Office of the Bank at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031, Tamil Nadu, India not later than 48 hours before the Meeting.

In accordance with the applicable regulatory provisions, in addition to casting of votes on Poll at the Meeting, the Bank is providing the Unsecured Creditors with the facility for casting their votes by way of Postal Ballot. The Unsecured Creditors may refer to the instructions behind the Postal Ballot Form for further details on voting through Postal Ballot. The voting rights of the Unsecured Creditors shall be in proportion to the principal amount due to them as on closure of business hours on **Friday, July 13, 2018 ('Cut-off Date')**.

The Postal Ballot shall remain open from **Saturday, August 04, 2018** at **9:00 a.m.** to **Sunday, September 02, 2018** at **5:00 p.m.**

The NCLT has appointed Ms. Veena Mankar, Independent Non-Executive Chairperson of the Bank and failing her, Dr. Rajiv B. Lall, Founder Managing Director and CEO of the Bank as Chairperson of the said Meeting. The above mentioned Amalgamation, if approved at the Meeting, will be subject to approval of the Hon'ble NCLT.

A route map along with prominent landmark for easy location to reach the venue of the Meeting is annexed with this Notice.

Sd/-
Veena Mankar
Chairperson appointed for the Meeting

Dated this 20th day of July, 2018

Registered Office:
KRM Towers, 7th Floor,
No. 1 Harrington Road,
Chetpet, Chennai - 600 031

Notes:

1. Explanatory Statement pursuant to Section 230(3), Section 232(2) read with Section 102 of the Companies Act, 2013 to the Notice of the Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company convened as per the directions of the National Company Law Tribunal, Chennai Bench is annexed hereto.

2. **PROXIES**

   i. AN UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE AN UNSECURED CREDITOR OF THE BANK. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE BANK'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY FILLED, SIGNED AND STAMPED PROXY FORM WILL BE CONSIDERED VALID.

   ii. A minor cannot be appointed as a Proxy. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, it shall be under its seal and be signed by an officer or an attorney duly authorised by it.

3. The authorised representative of a body corporate which is a registered Unsecured Creditor of the Applicant/Amalgamated Company may attend and vote at the Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting, is deposited at the Registered Office of the Applicant/Amalgamated Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting.

4. The Notice convening the Meeting will be published through an advertisement in Hindu Business Line (All Editions in English) and translation thereof in Makkal Kural in Tamil language (Chennai Edition).

5. An Unsecured Creditor or his/her Proxy or Authorised Representative is requested to bring the copy of this Notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.

6. Registered Unsecured Creditors who hold securities in dematerialized form are requested to bring their Client ID/DP ID/ISIN details for easy identification of the attendance at the Meeting.

7. The Notice is being sent to all Unsecured Creditors, whose name appeared in the register of Unsecured Creditors as on **Friday, July 13, 2018**. This Notice of the Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company is also displayed/posted on the website of the Applicant/Amalgamated Company at www.idfcbank.com.

8. Also, the Bank is offering facility for voting through Postal Ballot Form. A Postal Ballot Form along with self-addressed postage pre-paid Business Reply Envelope is enclosed. Unsecured Creditors are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed with assent (for) or dissent (against), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before **Sunday, September 02, 2018** by **5:00 p.m.** Unsecured Creditors who have received the Notice by e-mail and who wish to vote through Postal Ballot can download the Postal Ballot Form from the Bank's website www.idfcbank.com.

9. Also, the Bank is offering facility for voting by way of ballot papers at the Meeting for the Unsecured Creditors attending the Meeting who have not cast their vote by Postal Ballot.

10. Unsecured Creditors can opt only for one mode of voting out of the aforementioned modes viz. Postal Ballot or ballot paper at the Meeting.

11. It is clarified that, casting of votes by Postal Ballot does not disentitle any Unsecured Creditor from attending the Meeting. Unsecured Creditor after exercising his/her right to vote through Postal Ballot shall not be allowed to vote again at the Meeting.

12. Voting rights shall be in proportion to the principal amount due to the Unsecured Creditors as on the cut-off date i.e. **Friday, July 13, 2018**.

13. The voting period for Postal Ballot shall commence on and from **Saturday, August 04, 2018** at **9:00 a.m.** and end on **Sunday, September 02, 2018** at **5:00 p.m.**

14. No other form or photocopy of the Postal Ballot Form is permitted.

15. As per the Order of the Hon'ble NCLT, Mr. B Narasimhan, Practising Company Secretary of M/s BN & Associates, Company Secretaries is appointed as the Scrutinizer to scrutinize the votes cast through Postal Ballot or through ballot paper at the Meeting and submit the report to the Chairperson of the Meeting within 48 hours from the conclusion of the Meeting.

16. The Scrutinizer will submit his combined report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Unsecured Creditors of the Applicant/Amalgamated Company through Postal Ballot or ballot paper at the venue of the Meeting. The Scrutinizer's decision on the validity of the vote shall be final. The results will be announced on or before **Wednesday, September 05, 2018**. The results, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Applicant/Amalgamated Company and on the website of the Applicant/Amalgamated Company i.e. www.idfcbank.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

17. The resolution will be deemed to have been passed on the Meeting date, subject to receipt of the requisite number of votes cast in favour of the resolution.

18. All the documents referred to in the Explanatory Statement shall be available for inspection by the Unsecured Creditors at the Registered Office of the Bank between 9:00 a.m. to 6:00 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.

19. In accordance with the provisions of Section 230 read with Section 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority of persons representing three-fourth in value of the Unsecured Creditors of the Applicant/Amalgamated Company, voting by way of Postal Ballot and voting by way of ballot paper at the Meeting, agree to the Scheme.

Before the National Company Law Tribunal, Chennai Bench
COMPANY SCHEME APPLICATION NO. 132 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3), SECTION 232(2) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT/AMALGAMATED COMPANY

1. Pursuant to the Order dated July 19, 2018, passed by the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**'), in the Company Scheme Application No. 132 of 2018 ('**Order**'), a Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company is being convened on **Monday, September 03, 2018**, at **11:00 a.m.** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India, for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited ('**Amalgamating Company 1**') and Capital First Home Finance Limited ('**Amalgamating Company 2**') and Capital First Securities Limited ('**Amalgamating Company 3**') (hereinafter collectively referred to as the '**Amalgamating Companies**') with the Applicant/Amalgamated Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. This statement is being furnished as required under Sections 230(3), Section 232(2) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. BACKGROUND OF THE SCHEME

3.1 The Scheme provides for:

i. The voluntary amalgamation of the Amalgamating Company 1 with the Applicant/Amalgamated Company, pursuant to the provisions of the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016 ('**RBI Amalgamation Directions**'), in lieu whereof, equity shares of the Applicant/Amalgamated Company will be issued to the shareholders of the Amalgamating Company 1 as on the Record Date (as specified in the Scheme), in accordance with the Share Exchange Ratio (as mentioned below) duly determined in accordance with separate valuation reports and fairness opinions obtained by the Amalgamating Company 1 and the Applicant/Amalgamated Company as set out in the Scheme, and the dissolution of the Amalgamating Company 1 without winding-up, pursuant thereto ('**Part A Merger**'); and

ii. Subsequent to the occurrence of the Part A Merger above, the voluntary amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Applicant/Amalgamated Company, in lieu whereof, no consideration shall be payable, and the securities in Amalgamating Company 2 and Amalgamating Company 3 respectively, fully held by the Applicant/Amalgamated Company, pursuant to the Part A Merger, shall be cancelled or shall be deemed to be cancelled ('**Part B Merger**').

3.2 Since the Scheme is a Composite Scheme of Amalgamation, the Part A Merger and the Part B Merger shall occur almost simultaneously and on the effectiveness of the Scheme. Therefore, pursuant to the Amalgamation, the Applicant/ Amalgamated Company does not intend to acquire and/or operate the subsidiary companies of the Amalgamating Company 1 (viz. the Amalgamating Company 2 and Amalgamating Company 3) and they shall stand merged with the Applicant/Amalgamated Company upon completion of the Part A Merger and on the same day (Part A Merger and Part B Merger collectively be referred to as '**Amalgamation**').

3.3 The draft Scheme was placed before the Audit Committee of the Applicant/Amalgamated Company at its meeting held on January 13, 2018. In accordance with the provisions of the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('**SEBI circular**'), the Audit Committee of the Applicant/Amalgamated Company at its meeting held on January 13, 2018, recommended the Scheme to the Board of Directors of the Applicant/Amalgamated Company *inter alia* taking into account the following:

i. The draft Scheme between and amongst the Amalgamating Companies and the Applicant/Amalgamated Company;

ii. The draft Implementation Agreement to be entered into between the Amalgamating Company 1 and the Applicant/Amalgamated Company;

iii. The Legal and Financial Due Diligence reports provided by the legal (AZB & Partners) and financial advisors (Ernst & Young LLP) of the Applicant/Amalgamated Company;

iv. The Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Applicant/Amalgamated Company;

v. The Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited;

vi. Draft certificate issued by Deloitte Haskins & Sells, the Statutory Auditors of the Applicant/Amalgamated Company, confirming the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Companies Act, 2013, pursuant to paragraph I.A.5 of Annexure I of the SEBI Circular;

vii. Draft of the undertaking to be provided by the Applicant/Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraphs I.A.9 (a) and (b) of Annexure I of the SEBI Circular;

viii. Draft undertaking by Deloitte Haskins & Sells, the Statutory Auditors of the Applicant/Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraph I.A.9 (a) and (b) of Annexure I of the SEBI Circular.

3.4 Based on the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant/Amalgamated Company, at its meeting held on January 13, 2018, approved the Amalgamation.

3.5 Further, the Boards of the Amalgamating Companies, at their respective meetings held on January 13, 2018, have approved the Amalgamation after taking into consideration, *inter alia,* the Valuation Report submitted by the independent valuer, Walker Chandiok & Co. LLP, Chartered Accountants and Fairness Opinion issued by JM Financial Institutional Securities Limited to the Amalgamating Company 1.

3.6 **Share Exchange Ratio:** Upon the coming into effect of the Scheme:

i. In relation to the Part A Merger, equity shares of the Applicant/Amalgamated Company shall be issued to the shareholders of Amalgamating Company 1 (as on the Record Date) in the ratio of 139:10, i.e. 139 (One Hundred and Thirty Nine) fully paid-up equity shares of Applicant/Amalgamated Company of face value of ₹ 10 (Rupees Ten only) each shall be issued for every 10 (Ten) equity shares of face value of ₹ 10 (Rupees Ten only) each of the Amalgamating Company 1, each fully paid-up, as per the terms of the Scheme; and

ii. In relation to the Part B Merger, no consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Applicant/Amalgamated Company, and the securities held by the Applicant/Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively (pursuant to the Part A Merger), shall stand cancelled without any further act, application or deed.

4. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

4.1 IDFC BANK LIMITED (APPLICANT/AMALGAMATED COMPANY)

i. The Applicant/Amalgamated Company, CIN: L65110TN2014PLC097792 having PAN: AADCI6523Q is a public limited company which was incorporated on October 21, 2014 under the Companies Act, 2013, under the name and style "IDFC Bank Limited" with the Registrar of Companies, Chennai. The equity shares of the Applicant/Amalgamated Company are listed on the BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**').

ii. Contact Details of the Applicant/Amalgamated Company:

Registered Office: KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031.

Phone No.: + 91 44 4564 4000 Fax No.: +91 44 4564 4022 Email: bank.info@idfcbank.com

iii. Objects Clause of the Applicant/Amalgamated Company

a. The main objects of the Applicant/Amalgamated Company as set out in its Memorandum of Association are briefly as under:-

1. "To carry on the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

2. To establish and carry on the business of banking in any part of India or outside India.

……."

b. Further, Object Clause 54 of the Memorandum of Association of the Applicant/Amalgamated Company authorizes arrangement with any other company.

iv. Nature of Business of the Applicant/Amalgamated Company

The Applicant/Amalgamated Company is in the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

The financial year of the Applicant/Amalgamated Company ends on March 31 every year.

v. The authorized, issued, subscribed and paid-up share capital of the Applicant/Amalgamated Company as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
5,000,000,000 equity shares of ₹ 10 each	₹ 50,000,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
3,404,107,072 equity shares of ₹ 10 each	₹ 34,041,070,720

Subsequent to June 30, 2018, the share capital of the Applicant/Amalgamated Company has increased on July 02, 2018 pursuant to exercise of stock options by employees and as on the date of this Notice the issued, subscribed and paid up share capital of the Applicant/Amalgamated Company is ₹ 34,041,114,220 consisting of 3,404,111,422 equity shares of ₹ 10 each.

4.2 CAPITAL FIRST LIMITED (AMALGAMATING COMPANY 1)

i. The Amalgamating Company 1, CIN: L29120MH2005PLC156795 having PAN: AACCK6863C is a public limited company which was incorporated on October 18, 2005 under the Companies Act, 1956 as "KB Infin Private Limited", with Registrar of Companies, Mumbai and on August 31, 2006, "KB Infin Private Limited" was renamed as "KB Infin Limited" upon conversion to Public Limited company. It was subsequently renamed as "Future Capital Holding Limited" on December 21, 2006. Subsequently on November 8, 2012 it was renamed as Capital First Limited. The equity shares of the Amalgamating Company 1 are listed on BSE and NSE.

ii. **Contact Details of the Amalgamating Company 1:**

Registered Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. During the last five years, the Registered Office of the Amalgamating Company 1 has changed once on November 21, 2016 from 15th Floor, Tower-2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra to One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

iv. Objects Clause of the Amalgamating Company 1

a. The main objects of the Amalgamating Company 1 as set out in its Memorandum of Association are briefly as under:-

"To carry on business of Investment/Finance Company in all its branches and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert or otherwise deal in any shares, stocks, Debentures, Debenture stock, bonds, negotiable instruments, hedge instruments, warrants, certificates, premium notes, Treasury Bills, obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, options futures, money market securities, marketable or non-marketable, securities, derivatives, and other instruments and securities issued, guaranteed or given by

any government, semi-government, local authorities, public sector undertakings, companies, corporations, co-operative societies, trusts, funds, State, Dominion sovereign, Ruler, Commissioner, Public body or authority, Supreme, Municipal, Local or otherwise and other organisations/entities persons and to acquire and hold controlling and other interests in the securities or loan capital of any issuer company or companies.

1A) To carry on the business of merchant banking, investment banking, underwriting, portfolio management services, investment advisory services, financial planning and advisory services including tax planning and advisory, estate planning and setting of trust(s) for the same, financial consultancy, broking and sub broking for securities, commodities and currencies, asset management, venture capital fund, private equity fund, custodial services, factoring, real estate broking including planning and advisory activities, acting as an intermediary and advisors for purchase and sale of Artwork, credit reference agencies, referral arrangement(s), credit rating agencies, housing finance, foreign exchange broking, credit cards, money changing business, micro credit and rural credit in accordance with and to the extent permissible under the applicable regulations in respect of each of the above activities in India or elsewhere and to provide and to engage in all businesses as may be related or ancillary to the aforesaid business areas.

1B) To carry on the business of providing financial, investment advisory services, management and facilitation services, including but not limited to identifying investment opportunities, conducting analysis and assessment, providing investment recommendations and consultancy service for making available infrastructure (including but not limited to administrative, managerial, logistical, financial, communication and information technology facilities/services) to venture capital funds, including the trustees, beneficiaries and contributories or such funds, other funds (including but not limited to funds for providing debt financing investing in equity, equity linked securities and all other instruments as permitted under applicable laws), trusts, investment companies, joint ventures, corporate, institutional, group and individual investors.

1H) To carry on the business of a loan and finance company and to lend and advance money or give credit to such persons or companies and on such terms as it may seem expedient and in particular against the security of gold, bullion, vehicles, property whether moveable or immovable or any other asset, right, title, interest etc. for the purchase of gold, bullion, consumer durable products, paintings, sculptures or any other item or thing having artistic or aesthetic value or for any other purpose as the Company may deem fit and to guarantee the performance of any contract or obligation and the payment of money to any such person or companies and generally to give guarantee and indemnities.

……."

b. Further, Object Clause 5 of the Memorandum of Association of the Amalgamating Company 1 authorizes arrangement with any other company.

v. Nature of Business of Amalgamating Company 1

The Amalgamating Company 1 is engaged in the business of a systemically important non-banking financial company (non-deposit taking) under Section 45-I of the Reserve Bank of India Act. The Amalgamating Company 1 is engaged in lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.

The financial year of the Amalgamating Company 1 ends on March 31 every year.

vi. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
113,000,000 equity shares of ₹ 10 each	₹ 1,130,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
99,023,394 equity shares of ₹ 10 each	₹ 990,233,940

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 1 upto the date of this Notice.

4.3 CAPITAL FIRST HOME FINANCE LIMITED (AMALGAMATING COMPANY 2)

i. The Amalgamating Company 2, CIN: U65192MH2010PLC211307 having PAN: AABCF6552G is a public limited company which was incorporated on December 23, 2010 under the Companies Act, 1956 as "Future Capital Home Finance Private Limited", with Registrar of Companies, Mumbai and on January 03, 2013, "Future Capital Home Finance Private Limited" was renamed as "Capital First Home Finance Private Limited" and subsequently on December 05, 2015 it was renamed as "Capital First Home Finance Limited".

ii. Contact Details of the Amalgamating Company 2:

Registered Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. During the last five years, the Registered Office of the Amalgamating Company 2 has changed once on November 21, 2016 from 15th Floor, Tower-2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra to One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

iv. Objects Clause of the Amalgamating Company 2

a. The main objects of the Amalgamating Company 2 as set out in its Memorandum of Association are briefly as under:-

"1. To carry on the business of providing long term finance to any person or persons, company or corporation, society or association and, enabling such borrower to construct or purchase a house, flat or plot, for residential purpose and for improvement of present property and against existing property upon such security and such terms and conditions as the company may deem fit and to also provide long term finance to persons engaged in the business of construction of houses or flats for residential purpose to be sold by them by way of lease or on deferred payment or other similar basis upon such terms and conditions as the Company may think fit and proper.

1A. To carry on the business of Corporate Insurance Agents for the General Insurance Companies and/ or Life Insurance Companies owned by the Central Government or State Governments or Government Corporations or Private Insurance Companies including Foreign Companies, by soliciting and procuring all or any type of Insurance Policies for commission or on income sharing basis or on a fixed income basis.

1B. To engage in promoting, selling and distributing third party financial/ health or similar kind of commission/ brokerage/ fee based products.

……."

b. Further, Object Clause 32 of the Memorandum of Association of the Amalgamating Company 2 authorizes arrangement with any other company.

v. Nature of Business of the Amalgamating Company 2

The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.

The financial year of the Amalgamating Company 2 ends on March 31 every year.

vi. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
150,000,000 equity shares of ₹10 each	₹ 1,500,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
137,733,079 equity shares of ₹10 each	₹ 1,377,330,790

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 2 upto the date of this Notice

4.4 CAPITAL FIRST SECURITIES LIMITED (AMALGAMATING COMPANY 3)

i. The Amalgamating Company 3, CIN: U66010MH2007PLC169687 having PAN: AADCC0518P is a public limited company which was incorporated on April 05, 2007 under the Companies Act, 1956 as "Centrum Insurance Broking Private Limited", with Registrar of Companies, Mumbai. On October 22, 2007, "Centrum Insurance Broking Private Limited" was renamed as "Centrum Insurance Broking Limited". Subsequently on March 04, 2008, the name was changed to "Centrum Wealth Managers Limited". Subsequently on May 07, 2008, the name was changed to "FCH Centrum Wealth Managers Limited". On June 21, 2011, the name was changed to "Future Capital Securities Limited". On January 10, 2013, the name was changed to its current name "Capital First Securities Limited".

ii. Contact Details of the Amalgamating Company 3:

Registered Office: Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400 093.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. Objects Clause of the Amalgamating Company 3

a. The main objects of the Amalgamating Company 3 as set out in its Memorandum of Association are briefly as under:

"1. To do the business of wealth Manager by distribution of Mutual fund and other products and to buy, sell, transfer, hypothecate, deal in and dispose off any shares, share stocks, securities, property, bonds, any Government local authority bonds and certificates, securities, debentures, whether perpetual or redeemable debenture stock and to carry on business of share stock brokers, and or sub brokers.

2. To apply for and become a member of any recognized stock exchange in India and carry on business only as a corporate member of the exchange and shall not during such continuance as a member do or engage any other business which is not conducive to the business of share and share broking and other allied financial services.

……."

b. Further, Object Clause 19 of the Memorandum of Association of the Amalgamating Company 3 authorizes arrangement with any other company.

iv. Nature of Business

The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication.

The financial year of the Amalgamating Company 3 ends on March 31 every year.

v. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 3 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
62,000,000 equity shares of ₹10 each	₹ 620,000,000
3,800,000 preference shares of ₹100 each	₹ 380,000,000
Total	₹ **1,000,000,000**
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
55,355,600 equity shares of ₹10 each	₹ 553,556,000
1,200,000 preference shares of ₹100 each	₹120,000,000
Total	**₹673,556,000**

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 3 upto the date of this Notice

5. RELATIONSHIP BETWEEN THE AMALGAMATING COMPANIES AND THE APPLICANT/AMALGAMATED COMPANY:

IDFC Financial Holding Company Limited is the Promoter of the Applicant/Amalgamated Company and as on June 30, 2018, held 54.30% equity stake in the Applicant/Amalgamated Company.

Dayside Investment Limited and Cloverdell Investment Limited are the promoters of Amalgamating Company 1, holding 1.26% and 34.27% equity stake, respectively in the Amalgamating Company 1, as on June 30, 2018.

Amalgamating Company 2 and Amalgamating Company 3 are the Wholly Owned Subsidiaries of Amalgamating Company 1.

Amalgamating Company 3 is the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ('**CFCL**') and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date and consequently, CFCL is not a part of the Amalgamation.

The Applicant/Amalgamated Company has an outstanding investment of ₹ 105 crore in the Non-Convertible Debentures issued by Amalgamating Company 1.

However, there are only 4 parties to the Scheme, namely, the Applicant/Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3.

Except the above, there is no other relationship between the Amalgamating Companies and the Applicant/Amalgamated Company.

6. RATIONALE OF THE SCHEME:

The proposed Scheme of Amalgamation providing for Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:

i. That the Scheme is founded on leveraging of the significant complementarities that exist between the Applicant/ Amalgamating Company 1, Applicant/ Amalgamating Company 2 and Applicant/ Amalgamating Company 3 and the Applicant/Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.

ii. That the Applicant/Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Applicant/ Amalgamated Company pursuant to the Amalgamation;

iii. That the Applicant/Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Applicant/Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Applicant/Amalgamated Company

iv. That the Applicant/Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1, the Amalgamating Company 2 and the Applicant/Amalgamated Company will stand merged into the Applicant/Amalgamated Company pursuant to the Amalgamation;

v. That the Applicant/Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Applicant/Amalgamated Company;

vi. That the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Applicant/Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book. While this is as per the information contained in the Scheme, it may be noted that as on March 31, 2018, the number is 3,365,005 live customers and 6,082,970 cumulative customers;

vii. That the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Applicant/Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

viii. That in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Applicant/Amalgamated Company will benefit from such infrastructure;

ix. That the Applicant/Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Applicant/Amalgamated Company;

x. That the Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, had assets under management of approximately ₹ 13,299,000,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Applicant/Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients. While this is as per the information contained in the Scheme and as on September 30, 2017, it may be noted that as on March 31, 2018, the assets under management are approximately ₹ 20,784,268,832 (Rupees Two Thousand and Seventy Eight Crores Forty Two Lakhs Sixty Eight Thousand Eight Hundred and Thirty Two);

xi. That the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is currently only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Applicant/Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

xii. That the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Applicant/ Amalgamated Company.

7. SALIENT FEATURES OF THE SCHEME:

7.1 Appointed date: The appointed date of the Scheme is the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Applicant/Amalgamated Company and is the date with effect from which the Scheme shall be operative.

7.2 Effective date: Effective date means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme.

7.3 Amalgamation of Amalgamating Companies with Applicant/Amalgamated Company: The Scheme envisages that upon the coming into effect of the Scheme on the 'Effective Date' (being such date as the Amalgamating Companies and the Applicant/Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme), the Part A Merger and the Part B Merger will occur pursuant to which the entire undertaking of each of the Amalgamating Companies, including all of their respective assets and liabilities, shall stand transferred to, and/ or deemed to be transferred to, and vested in the Applicant/Amalgamated Company from the Appointed Date.

7.4 Share Exchange Ratio: Upon the coming into effect of the Scheme:

i. In relation to the Part A Merger, equity shares of the Applicant/Amalgamated Company shall be issued to the shareholders of Amalgamating Company 1 (as on the Record Date) in the ratio of 139:10, i.e. 139 (One Hundred and Thirty Nine) fully paid-up equity shares of Applicant/Amalgamated Company of face value of ₹ 10 (Rupees Ten only) each shall be issued for every 10 (Ten) equity shares of face value of ₹ 10 (Rupees Ten only) each of the Amalgamating Company 1, each fully paid-up, as per the terms of the Scheme; and

ii. In relation to the Part B Merger, no consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Applicant/Amalgamated Company, and the securities held by the Applicant/Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively (pursuant to the Part A Merger), shall stand cancelled without any further act, application or deed.

7.5 The Share Exchange Ratio has been arrived at by an independent valuer, namely, S. R. Batliboi & Co. LLP, appointed by the Applicant/Amalgamated Company. The valuation report prepared by the independent valuer, S. R. Batliboi & Co. LLP, was submitted to the Audit Committee and Board of the Applicant/Amalgamated Company.

7.6 The Share Exchange Ratio has been approved by the Board of Applicant/Amalgamated Company as being fair after considering the: (i) independent valuation by the independent valuer viz. S. R. Batliboi & Co. LLP; and (ii) fairness opinion prepared by Kotak Mahindra Capital Company Limited for the Applicant/Amalgamated Company.

7.7 Employees: Upon the coming into effect of the Scheme and as a result of the Amalgamation, all employees of each of the Amalgamating Companies shall become employees of the Applicant/Amalgamated Company, subject to provisions of the Scheme, without any break or interruption in their service and on the basis of continuity of service on terms no less favourable than those on which they are engaged by the Amalgamating Companies.

7.8 Stock Options: Upon the coming into effect of the Scheme and as a result of the Amalgamation, stock options will be granted by the Applicant/Amalgamated Company to all eligible employees of the Amalgamating Companies in lieu of stock options of the Amalgamating Company 1 held by such employees, upon their transfer to the Applicant/Amalgamated Company, as applicable, pursuant to the Scheme.

7.9 Accounting Treatment: Upon the Scheme becoming effective, the Applicant/Amalgamated Company shall give effect to the accounting treatment in relation to the Amalgamation in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirements under the Companies Act, 2013 as may be applicable.

7.10 Until the effectiveness of the Scheme, the Applicant/Amalgamated Company and each of the Amalgamating Companies shall carry on their businesses in the ordinary course, consistent with past practice and in accordance with applicable law.

8. CAPITAL STRUCTURE (PRE AND POST AMALGAMATION):

8.1 Amalgamating Company 1

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company 1 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
113,000,000 equity shares of ₹ 10 each	₹ 1,130,000,000	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
99,023,394 equity shares of ₹ 10 each	₹ 990,233,940	-	-

8.2 Amalgamating Company 2

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company 2 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
150,000,000 equity shares of ₹10 each	₹ 1,500,000,000	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
137,733,079 equity shares of ₹10 each	₹ 1,377,330,790	-	-

8.3 Amalgamating Company 3

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company 3 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
62,000,000 equity shares of ₹10 each	₹ 620,000,000	-	-
3,800,000 preference shares of ₹100 each	₹ 380,000,000	-	-
Total	₹ **1,000,000,000**	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
55,355,600 equity shares of ₹10 each	₹ 553,556,000	-	-
1,200,000 preference shares of ₹100 each	₹120,000,000	-	-
Total	₹ **673,556,000**	-	-

8.4 Applicant/Amalgamated Company

The Pre Amalgamation and Post Amalgamation (Tentative) Capital Structure of the Applicant/Amalgamated Company, based on June 30, 2018 Capital Structures of Applicant/Amalgamated Company and Amalgamating Companies, is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
5,000,000,000 equity shares of ₹ 10 each	₹ 50,000,000,000	5,325,000,000 equity shares of ₹ 10 each	₹ 53,250,000,000
-	-	3,800,000 preference shares of ₹ 100 each	₹ 380,000,000
Total	₹ **50,000,000,000**	**Total**	₹ **53,630,000,000**
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
3,404,107,072 equity shares of ₹ 10 each	₹ 34,041,070,720	4,780,532,249 equity shares of ₹ 10 each	₹ 47,805,322,490

9. PRE AND POST SHAREHOLDING PATTERN:

(Based on June 30, 2018 Shareholding Patterns of Applicant/Amalgamated Company and Amalgamating Company 1)

Sr. No.	Category & Name of the Shareholder	Pre-Amalgamation		Post-Amalgamation	
		No. of Shares	%	No. of Shares	%
(A)	PROMOTER SHAREHOLDING				
(1)	Indian	-	-	-	-
(a)	Individuals/Hindu undivided Family	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-
(d)	Any Other				
	IDFC FINANCIAL HOLDING COMPANY LIMITED	1,848,512,668	54.30	1,848,512,668	38.67
	Sub-Total (A)(1)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other	-	-	-	-
	Sub-Total (A)(2)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
(B)	**PUBLIC SHAREHOLDING**				
(1)	Institutions				
(a)	Mutual Funds	105,289,566	3.09	265,535,077	5.55
	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Mnc Fund	-	-	68,445,310	1.43
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	349,689,293	10.27	636,112,568	13.31
	Government of Singapore	-	-	121,875,005	2.55
	Platinum International Fund	49,475,422	1.45	49,475,422	1.03
	Dayside Investment Limited	-	-	17,346,602	0.36
(f)	Financial Institutions/Banks	22,379,088	0.66	30,365,861	0.64
(g)	Insurance Companies	47,079,442	1.38	54,180,396	1.13
(h)	Provident Funds/Pension Funds	-	-	-	-
(i)	Any Other				
	FOREIGN CORPORATE BODIES	4,601,271	0.14	476,334,537	9.96
	Cloverdell Investment Limited	-	-	471,733,266	9.87
	FOREIGN NATIONALS	12,201	0.00	12,201	0.00
	BODIES CORPORATES	107,051,902	3.14	107,051,902	2.24
	Sub Total (B)(1)	**636,102,763**	**18.69**	**1,569,592,542**	**32.83**
(2)	Central Government/State Government(s)/President of India	261,400,000	7.68	261,400,000	5.47
	PRESIDENT OF INDIA	261,400,000	7.68	261,400,000	5.47
	Sub Total (B)(2)	**261,400,000**	**7.68**	**261,400,000**	**5.47**
(3)	Non-Institutions				
(a)	i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	365,889,812	10.75	540,884,599	11.31
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	211,710,637	6.22	323,773,702	6.77
(b)	NBFCs Registered with RBI	1,722,318	0.05	1,885,629	0.04
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	-	-	-	-
(e)	Any Other				
	CLEARING MEMBERS	42,424,626	1.25	50,173,529	1.05
	NON RESIDENT INDIANS	21,438,856	0.63	39,136,433	0.82
	NON RESIDENT INDIAN NON REPATRIABLE	8,277,586	0.24	12,872,106	0.27
	TRUSTS	6,627,806	0.19	6,662,528	0.14

Sr. No.	Category & Name of the Shareholder	Pre-Amalgamation		Post-Amalgamation	
		No. of Shares	%	No. of Shares	%
	FOREIGN NATIONALS	-	-	13,441	0.00
	IEPF	-	-	411,051	0.01
	HINDU UNDIVIDED FAMILY	-	-	11,307,511	0.24
	FOREIGN COMPANIES	-	-	66,442,000	1.39
	Caladium Investment Pte Ltd	-	-	66,442,000	1.39
	Bodies Corporate	-	-	47,464,511	0.99
	Sub Total (B)(3)	**658,091,641**	**19.33**	**1,101,027,040**	**23.03**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**3,404,107,072**	**100.00**	**4,780,532,249**	**100.00**

Notes:

a. In compliance with the RBI Guidelines for licensing of new banks in the private sector on February 22, 2013, IDFC Financial Holding Company Limited will enhance it's shareholding such that upon the effectiveness of the Scheme it holds 40% of the paid up equity capital of the Applicant/Amalgamated Company.

b. As stipulated by RBI, the Promoter Group of the Amalgamating Company 1 (i.e. Cloverdell and persons acting in concert) would reduce its equity shareholding such that, upon the effectiveness of the Scheme it holds below 10% of the paid up share capital in the Applicant/ Amalgamated Company and will be categorized as a Public Shareholder of the Applicant/Amalgamated Company.

10. AMOUNT DUE TO SECURED AND UNSECURED CREDITORS:

10.1 Applicant/Amalgamated Company

i. As on July 13, 2018, the amount due from Applicant/ Amalgamated Company to its secured creditors is ₹ 13,732.44 crore.

ii. As on July 13, 2018, the amount due from Applicant/ Amalgamated Company to its unsecured creditors is ₹ 56,084.34 crore.

10.2 Amalgamating Company 1

i. As on July 13, 2018, the amount due from the Amalgamating Company 1 to its secured creditors is ₹ 16,503.18 crore.

ii. As on July 13, 2018, the amount due from the Amalgamating Company 1 to its unsecured creditors is ₹ 4,887.50 crore.

10.3 Amalgamating Company 2

i. As on July 13, 2018, the amount due from the Amalgamating Company 2 to its secured creditors is ₹ 1,850.30 crore.

ii. As on July 13, 2018, the amount due from the Amalgamating Company 2 to its unsecured creditors is ₹ 360.08 crore.

10.4 Amalgamating Company 3

i. As on July 13, 2018, the amount due from the Amalgamating Company 3 to its secured creditors is NIL

ii. As on July 13, 2018, the amount due from the Amalgamating Company 3 to its unsecured creditors is ₹ 0.04 crore.

11. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

11.1 Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel ('**KMP**') and their respective relatives of the Amalgamating Companies and the Applicant/Amalgamated Company, may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant/Amalgamated Company and Amalgamating Company 1 or to the extent the said Directors/KMP are the partners, directors, members of the companies, firms, associations of persons, bodies corporates and/or beneficiary of trusts, that hold shares in the Applicant/Amalgamated Company and Amalgamating Company 1.

Save as aforesaid, none of the Directors or KMP of the Amalgamating Companies and the Applicant/Amalgamated Company have any material interest in the Scheme or are in any way connected or interested in the resolution proposed to be passed at the Meeting.

11.2 The details of the Directors and KMP of the Applicant/Amalgamated Company and their respective shareholdings in the Applicant/Amalgamated Company and the Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
00004168	Ms. Veena Mankar	Independent Non - Executive Chairperson	801, Park Heights, 10th Road, Near Madhu Park, Khar (West), Mumbai - 400 052.	-	-
00002593	Mr. Abhijit Sen	Independent Director	A92, Grand Paradi, 572, Dady Seth Hill, August Kranti Marg Mumbai - 400 036.	-	-
01657614	Mr. Ajay Sondhi	Independent Director	8 Cuscaden Walk, # 24-02, Singapore - 249692	-	-
00682433	Mr. Anand Sinha	Independent Director	Flat No.1103, Boulevard 2, The Address, LBS Marg, Opp. R City Mall, Ghatkopar (W), Mumbai - 400 086	-	-
07724555	Ms. Anindita Sinharay	Nominee Director - Government of India	K-3/1, Sector-13, R K Puram (Main), South West Delhi, Delhi - 110066	-	-
02395272	Mr. Rajan Anandan	Independent Director	Spring Leaf Apartment No. 3, Ground Floor, Brunton Cross Road, Bangalore - 560001	-	-
03055561	Mr. Sunil Kakar	Nominee Director - IDFC Limited	2603, Springs - 1, 26th Floor, Island City Centre, Dr. G. D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (E), Mumbai - 400 014	20,000 Equity Shares of ₹ 10 each	-
00131782	Dr. Rajiv B. Lall	Founder Managing Director & CEO	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	2,624,686 Equity Shares of ₹ 10 each	-
ABRPS7427F	Mr. Mahendra N. Shah	Group Company Secretary & Group Compliance Officer	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	100 Equity Shares of ₹ 10 each	-
AACPG6412A	Mr. Bipin Gemani	Chief Financial Officer	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	94,514 Equity Shares of ₹ 10 each	-

11.3 The details of the Directors and KMP of Amalgamating Company 1 and their respective shareholdings in the Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
00004916	Mr. Naresh Chand Singhal	Independent Director	D 107, Poornima, 23 Peddar Road, Mumbai - 400 026	1,000 Equity Shares of ₹ 10 each	-
00040769	Mr. Hemang Raja	Independent Director	Rashmi Apartments, Flat No. 4, D-Wing, 4th Floor, Carmichael Road, Mumbai - 400 026	-	-
06979864	Dr. (Mrs.) Brinda Jagirdar	Independent Director	1104, Eleven, Serenity Heights, A-wing, Mindspace, Off New Link Road, Malad (West), Mumbai - 400 064	-	-
00082596	Mr. V. Vaidyanathan	Chairman and Managing Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	*4,040,576 Equity Shares of ₹ 10 each
01035771	Mr. Vishal Mahadevia	Non-Executive Director	Warburg Pincus India Private Limited, 7th Floor, Express Towers, Nariman Point Mumbai - 400 021	-	-
00003252	Mr. Dinesh Kanabar	Independent Director	1101 & 1102, One Indiabulls Centre, Tower 2B, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013	-	-
06530414	Mr. Narendra Ostawal	Non-Executive Director	Warburg Pincus India Private Limited, 7th Floor, Express Towers, Nariman Point, Mumbai - 400 021	-	-
00169775	Mr. Swaminathan Sundararajan Mittur	Independent Director	Ashwarooda, Flat No-11, 2nd Floor, Building No-248, Ambujammal Street, TTK Salai, Alwarpet, Chennai, Tamil Nadu - 600 018	-	-
01738973	Mr. Apul Nayyar	Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	740,000 Equity Shares of Rs. 10 each
03288923	Mr. Nihal Desai	Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	200 Equity Shares of ₹ 10 each	75,000 Equity Shares of ₹ 10 each
AGHPG7454K	Mr. Satish Gaikwad	Head - Legal, Compliance & Company Secretary	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	601 Equity Shares of ₹ 10 each	8,490 Equity Shares of Rs. 10 each
AAEPS5721Q	Mr. Pankaj Sanklecha	Chief Financial Officer & Head - Corporate Centre	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	348,255 Equity Shares of Rs. 10 each

* This does not include donation by Mr. Vaidyanathan of 5 lakh equity shares of Amalgamating Company 1 to Rukmani Social Welfare Trust, for social cause/charitable purpose.

11.4 The details of the Directors and KMP of Amalgamating Company 2 and their respective shareholdings in Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
00082596	Mr. V. Vaidyanathan	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	*4,040,576 Equity Shares of Rs. 10 each
01738973	Mr. Apul Nayyar	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	740,000 Equity Shares of Rs. 10 each
03288923	Mr. Nihal Desai	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	200 Equity Shares of ₹ 10 each	75,000 Equity Shares of Rs. 10 each
00169775	Mr. Swaminathan Sundararajan Mittur	Non Executive & Independent Director	Ashwarooda, Flat No. 11, 2nd Floor, Building No-248, Ambujammal Street, TTK Salai, Alwarpet, Chennai, Tamil Nadu - 600 018	-	-
06979864	Dr. (Mrs). Brinda Jagirdar	Non Executive & Independent Director	1104, Eleven, Serenity Heights, A-wing, Mindspace, Off New Link Road, Malad (West), Mumbai - 400 064	-	-
AHIPG4353M	Mr. Bhavik Gala	Company Secretary	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	5 Equity Shares of Rs. 10 each
AEZPD3019H	Mr. Daryl William Dsouza	Chief Executive Officer	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	7,800 Equity Shares of Rs. 10 each
AIYPK3203F	Mr. Deepak Bhupendra Kundalia	Chief Financial Officer	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	1,001 Equity Shares of Rs. 10 each

* This does not include donation by Mr. Vaidyanathan of 5 lakh equity shares of Amalgamating Company 1 to Rukmani Social Welfare Trust, for social cause/charitable purpose.

11.5 The details of the Directors and KMP of Amalgamating Company 3 and their respective shareholdings in Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
07019167	Mr. Anand Rai Jayprakash	Managing Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	2 Equity Shares of Rs. 10 each
00320507	Mr. Kailasam Raghuraman	Non Executive & Independent Director	No. 39, Amaravathy Nagar, Arumbakkam S.O., Chennai - 600 106	-	-

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of ₹ 10 each in Applicant/ Amalgamated Company	Equity Shares of ₹ 10 each in Amalgamating Company 1
06527313	Mr. Gourav Mardia	Non Executive & Independent Director	D - 504, Raheja Heights, General A K Vaidya Marg, Malad (E), Mumbai - 400097, Maharashtra, India	-	-

11.6 The details of the Directors of the Applicant/Amalgamated Company who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Applicant/Amalgamated Company held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Ms. Veena Mankar	Voted in favour
2.	Mr. Abhijit Sen	Voted in favour
3.	Mr. Ajay Sondhi	Voted in favour
4.	Mr. Anand Sinha	Voted in favour
5.	Ms. Anindita Sinharay	Did not participate (Leave of Absence)
6.	Mr. Rajan Anandan	Voted in favour
7.	Mr. Sunil Kakar	Voted in favour
8.	Dr. Rajiv B. Lall	Voted in favour

11.7 The details of the Directors of the Amalgamating Company 1 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 1 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. V. Vaidyanathan	Voted in favour
2.	Mr. Naresh Chand Singhal	Voted in favour
3.	Mr. Hemang Raja	Voted in favour
4.	Dr. (Mrs.) Brinda Jagirdar	Voted in favour
5.	Mr. Swaminathan Sundararajan Mittur	Voted in favour
6.	Mr. Dinesh Kanabar	Voted in favour
7.	Mr. Vishal Mahadevia	Voted in favour
8.	Mr. Narendra Ostawal	Voted in favour
9.	Mr. Apul Nayyar	Voted in favour
10.	Mr. Nihal Desai	Voted in favour

11.8 The details of the Directors of the Amalgamating Company 2 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 2 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. V. Vaidyanathan	Voted in favour
2.	Dr. (Mrs.) Brinda Jagirdar	Voted in favour
3.	Mr. Swaminathan Sundararajan Mittur	Voted in favour
4.	Mr. Apul Nayyar	Voted in favour
5.	Mr. Nihal Desai	Voted in favour

11.9 The details of the Directors of the Amalgamating Company 3 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 3 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. Anand Rai Jayprakash	Voted in favour
2.	Mr. Kailasam Raghuraman	Voted in favour
3.	Mr. Gourav Mardia	Did not participate (Leave of Absence)

11.10 Details of the Promoter/Promoter Group of Applicant/Amalgamated Company as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
IDFC Financial Holding Company Limited (Holding Company)	KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031, India	54.30
IDFC Limited (Ultimate Holding Company)	KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031, India	54.30 (Indirectly)

11.11 Details of the Promoter/Promoter Group of Amalgamating Company 1 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Cloverdell Investment Limited	C/o Warburg Pincus Asia Ltd., 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius	34.27
Dayside Investment Limited	C/o Warburg Pincus Asia Ltd., 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius	1.26

11.12 Details of the Promoter/Promoter Group of Amalgamating Company 2 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Capital First Limited	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	100

11.13 Details of the Promoter/Promoter Group of Amalgamating Company 3 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Capital First Limited	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	100

12. PROPOSED BOARD COMPOSITION OF APPLICANT/AMALGAMATED COMPANY:

Upon the effectiveness of the Scheme, the Applicant/Amalgamated Company's Board shall be reconstituted to provide for 12 (Twelve) Directors as follows:

i. Dr. Rajiv B. Lall shall be appointed as the Non-Executive Chairperson of the Applicant/Amalgamated Company;

ii. Mr. V. Vaidyanathan shall be appointed as the Managing Director and Chief Executive Officer of the Applicant/Amalgamated Company;

iii. The Applicant/Amalgamated Company Board and the Amalgamating Company 1 Board shall be equally represented on the reconstituted Applicant/Amalgamated Company Board;

iv. The reconstituted Applicant/Amalgamated Company Board shall have atleast 7 (Seven) independent directors.

13. STATUS OF APPROVALS:

13.1 As on the date of this Notice, the following approvals pertaining to the Amalgamation have been received:

i. The National Housing Bank has, via its letter dated February 16, 2018, given its no objection to the proposed Amalgamation,

ii. The NSE and BSE have, via their communications dated March 26, 2018 and March 14, 2018 respectively, conveyed their prior approval for the Amalgamation with respect to the Applicant/Amalgamated Company's Trading membership in the Currency Derivative Segment of NSE and BSE.

iii. The Competition Commission of India has, via its letter dated March 07, 2018, approved the proposed Amalgamation.

iv. The NSE and BSE have, via their communications both dated May 25, 2018, conveyed their no-objection to the filing of the Scheme before the Hon'ble NCLT.

v. The RBI has, via its letter dated June 04, 2018, granted its no-objection to the Amalgamation, subject to compliance with certain terms and conditions specified therein.

13.2 Further, the effectiveness of the Scheme is conditional upon the receipt of approval from the RBI in accordance with the terms of the RBI Amalgamation Directions. Additionally, the other approvals and conditions upon which the Scheme is contingent and which are currently pending, include, *inter alia*:

i. the Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Applicant/Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant National Company Law Tribunals;

ii. the Scheme having been approved by the relevant National Company Law Tribunals and the Amalgamating Companies and the Applicant/Amalgamated Company having received a certified true copy of the order of the National Company Law Tribunals approving the Scheme; and

iii. certified copies of the order of the National Company Law Tribunals approving the Scheme being filed with the Registrar of Companies.

13.3 The Amalgamating Companies have filed a joint application with the National Company Law Tribunal, Mumbai Bench on July 16, 2018, seeking its directions for convening meetings of the shareholders and creditors, as may be applicable. The order of the Tribunal in this regard, is awaited.

14. GENERAL:

14.1 The Scheme is not expected to have any adverse effects on the material interests of KMP, Directors, Promoters, Non-promoters members, Depositors, Creditors, Debenture holders, Debenture Trustee and Employees of the Amalgamating Companies and the Applicant/Amalgamated Company, wherever relevant.

14.2 The rights and interest of secured creditors and unsecured creditors of either of the companies, if any, will not be prejudicially affected by the Scheme, as no sacrifice or waiver, at all called from them, nor their rights are sought to be modified in any manner and post the Scheme, the Applicant/Amalgamated Company will be able to meet their liabilities.

14.3 The latest audited accounts for the year ended March 31, 2018 of the Applicant/Amalgamated Company indicate that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured creditor or unsecured creditor of the Applicant/Amalgamated Company would lose or be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is called for from them nor are their rights sought to be adversely modified in any manner.

Hence, the Amalgamation will not cast any additional burden on the shareholders or the creditors nor will it adversely affect the interest of any shareholders or creditors

14.4 As on the date of this Notice, no winding up proceedings are pending against the Applicant/Amalgamated Company and the Amalgamating Companies.

14.5 No investigation or proceedings are pending under the provisions of the Companies Act, 2013 in respect of the Applicant/ Amalgamated Company and the Amalgamating Companies.

14.6 The Applicant/Amalgamated Company and the Amalgamating Companies are required to seek approval/sanction/ no-objection from certain regulatory and governmental authorities for the Scheme such as Registrar of Companies, Regional Director and Income Tax Authority and will obtain the same at the relevant time.

14.7 Copy of the draft Scheme would be filed with the Registrar of Companies, Chennai, within the prescribed time.

14.8 A report adopted by the Directors of the Applicant/Amalgamated Company explaining effect of the Scheme on each class of Shareholders, KMP, Promoter and Non-promoter shareholders laying out in particular the share exchange ratio, is attached herewith.

14.9 Detailed Accounts of Applicant/Amalgamated Company and Amalgamating Companies:

Detailed audited accounts of the Applicant/Amalgamated Company for the year ended March 31, 2018, forming part of the Annual Report FY18, can be referred to on its official website at:

https://www.idfcbank.com/content/dam/IDFC/FY18/IDFC-Bank-Limited-Fourth-Annual-Report-2017-18.pdf

Detailed audited accounts of the Amalgamating Company 1 for the year ended March 31, 2018, forming part of the Annual Report FY18, can be referred to on its official website at:

https://www.capitalfirst.com/pdfs/Capital_First_AR_2017-18_with_notice.pdf

Detailed accounts of the Amalgamating Company 2 and Amalgamating Company 3 for the year ended March 31, 2018 can be referred to at:

https://www.capitalfirst.com/investor/financial-info

14.10 The following documents shall be available for obtaining extract from or for obtaining copies of or for inspection by the Unsecured Creditors of the Applicant/Amalgamated Company at its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031 between 9:00 am to 6:00 pm on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting:

i. Copy of the Order dated July 19, 2018 passed by the Hon'ble NCLT in Company Scheme Application No. 132 of 2018, of the Applicant/Amalgamated Company;

ii. Copy of the Composite Scheme of Amalgamation;

iii. Copy of the Audit Committee Report dated January 13, 2018 of the Applicant/Amalgamated Company and Amalgamating Company 1;

iv. Copy of the Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Applicant/Amalgamated Company;

v. Copy of the Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited to the Applicant/Amalgamated Company;

vi. Copy of the Valuation Report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, Chartered Accountants, independent valuer appointed by the Amalgamating Company 1;

vii. Copy of the Fairness Opinion dated January 13, 2018 issued by JM Financial Institutional Securities Limited to Amalgamating Company 1;

viii. Copy of the resolutions dated January 13, 2018 passed by the respective Board of Directors of the Applicant/ Amalgamated Company and the Amalgamating Companies, approving the Scheme;

ix. Copy of the Reports adopted by the Board of Directors of the Applicant/Amalgamated Company and Amalgamating Companies pursuant to the provisions Section 232 (2)(c) of the Companies Act 2013.

x. Copy of statutory auditors' certificates to the Applicant/Amalgamated Company and the Amalgamating Company 1, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

xi. Copy of Complaints reports submitted by the Applicant/Amalgamated Company and the Amalgamating Company 1 to BSE and NSE;

xii. Copy of No adverse observation/No-objection letters issued by BSE and NSE, to the Applicant/Amalgamated Company and the Amalgamating Company 1;

xiii. Abridged prospectus as provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations including applicable information pertaining to Amalgamating Company 2 and Amalgamating Company 3;

xiv. Copy of the Memorandum and Articles of Association of the Applicant/Amalgamated Company and the Amalgamating Companies;

xv. Copy of the Annual Reports of the Applicant/Amalgamated Company and the Amalgamating Companies for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

xvi. Copy of the Audited Financial Statements (Standalone and Consolidated, as may be applicable) of the Applicant/ Amalgamated Company and the Amalgamating Companies for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

Sd/-
Veena Mankar
Chairperson appointed for the Meeting

Dated this 20th day of July, 2018

Registered Office:
KRM Towers, 7th Floor,
No. 1 Harrington Road,
Chetpet, Chennai - 600 031

COMPOSITE SCHEME OF AMALGAMATION

OF

CAPITAL FIRST LIMITED
(Amalgamating Company 1)

AND

CAPITAL FIRST HOME FINANCE LIMITED
(Amalgamating Company 2)

AND

CAPITAL FIRST SECURITIES LIMITED
(Amalgamating Company 3)

WITH

IDFC BANK LIMITED
(Amalgamated Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PART A

GENERAL

1. DESCRIPTION OF THE COMPANIES

1.1 **IDFC Bank Limited** is a public limited company, incorporated under the Companies Act *(as defined hereinafter)*, having its registered office at KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600031 (hereinafter referred to as the "Amalgamated Company"). The Amalgamated Company is licensed as a banking company under the provisions of the Banking Regulation Act, 1949 ("BR Act"). The equity shares of the Amalgamated Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). The Amalgamated Company is primarily engaged in the business of providing banking services in India.

1.2 **Capital First Limited** is a public limited company, incorporated under the provisions of the Companies Act, 1956 ("1956 Act"), having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 1"). The Amalgamating Company 1 is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges. The Amalgamating Company 1 is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.

1.3 **Capital First Home Finance Limited** is a public limited company, incorporated under the provisions of the 1956 Act, having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 2"). Amalgamating Company 2 is registered with the National Housing Bank ("NHB") as a housing finance company. The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.

1.4 **Capital First Securities Limited** is a public limited, company incorporated under the provisions of the 1956 Act, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri(E), Mumbai – 400093 (hereinafter referred to as the "Amalgamating Company 3"). The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication. Amalgamating Company 3 is also the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ("CFCL") and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date (as defined hereinafter) and consequently, CFCL is not a part of the Amalgamation (as defined hereinafter).

2. This Scheme is presented for the amalgamation of Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively the "Amalgamating Companies") with the Amalgamated Company and the consequent dissolution of the Amalgamating Companies without winding up and the issuance of New Equity Shares *(as defined hereinafter)* to the shareholders of the Amalgamating Company 1 in accordance with the Share Exchange Ratio *(as defined hereinafter)*, pursuant

to Sections 230 – 232, and other relevant provisions of the Companies Act, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act *(as defined hereinafter)* ("Amalgamation").

3. BACKGROUND AND RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT

3.1 The Amalgamation pursuant to this Scheme would, inter alia, have the following benefits:

(a) the Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

(b) the Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;

(c) the Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;

(d) the Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;

(e) the Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;

(f) the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;

(g) the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

(h) in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;

(i) the Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;

(j) Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, has assets under management of approximately ₹ 13,29,90,00,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;

(k) as of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

(l) the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.

3.2 Accordingly, to achieve the abovementioned benefits, the Boards (as defined hereinafter) of each of the Amalgamating Companies and the Amalgamated Company has decided to make requisite applications and / or petitions before the Tribunals / Governmental Authority (as defined hereinafter) as the case may be, as applicable under Sections 230 to 232 of the Companies Act and other applicable provisions of this Scheme.

4. This Scheme is divided into the following parts:

4.1 Part A, which deals with the general description of the Amalgamation, the background and the rationale for the Scheme.

4.2 Part B, which deals with the introduction and definitions, and sets out the share capital of the respective Amalgamating Companies and the Amalgamated Company.

4.3 Part C, which deals with the amalgamation of the Amalgamating Company 1 with the Amalgamated Company.

4.4 Part D, which deals with the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company.

4.5 Part E, which deals with the general terms and conditions applicable to this Scheme.

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART B

DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

5.1 In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively against them:

(a) "1956 Act" shall have the meaning set forth in Clause 1.2;

(b) "Amalgamation" shall have the meaning set forth in Clause 2;

(c) "Amalgamated Company" shall have the meaning set forth in Clause 1.1;

(d) "Amalgamating Company 1 ESOP Plans" means collectively the ESOP 1, ESOP 2, ESOP 3, ESOP 4, ESOP 5, ESOP 6, ESOP 7, ESOP 8 and ESOP 9;

(e) "Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company, each having a face value of ₹ 10 (Rupees Ten) and one vote per equity share;

(f) "Amalgamating Companies" shall have the meaning set forth in Clause 2, and "Amalgamating Company" shall mean any one of them, as the case may be;

(g) "Amalgamating Company 1" shall have the meaning set forth in Clause 1.2;

(h) "Amalgamating Company 2" shall have the meaning set forth in Clause 1.3;

(i) "Amalgamating Company 3" shall have the meaning set forth in Clause 1.4;

(j) "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and / or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;

(k) "Appointed Date" means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative;

(l) "Board" in relation to each of the Amalgamating Companies and the Amalgamated Company, as the case may be, means the board of directors of such company;

(m) "BR Act" shall have the meaning set forth in Clause 1.1;

(n) "CCI" means the Competition Commission of India;

(o) "CCI Approval" means the approval granted by the CCI to the Amalgamation in accordance with the provisions of the Competition Act, 2002, and the relevant rules and regulations thereunder;

(p) "CFCL" shall have the meaning set forth in Clause 1.4;

(q) "Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment or amendments thereof for the time being in force;

(r) "Effective Date" means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

(s) "Eligible Employees" means the employees of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3, who are entitled to the Amalgamating Company 1 ESOP Plans established by the Amalgamating Company 1, to whom, as on the Effective Date, options of the Amalgamating Company 1 have been granted, irrespective of whether the same are vested or not;

(t) "Employees" means all the employees of the respective Amalgamating Companies (as may be applicable) as on the Effective Date;

(u) "Encumbrance" or "Encumbered" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;

(v) "ESOP 1" means the Amalgamating Company 1 employee stock option plan 2007, as approved by the Board and shareholders of the Amalgamating Company 1;

(w) "ESOP 2" means the Amalgamating Company 1 employee stock option plan 2008, as approved by the Board and shareholders of the Amalgamating Company 1;

(x) "ESOP 3" means the Amalgamating Company 1 employee stock option plan 2009, as approved by the Board and shareholders of the Amalgamating Company 1;

(y) "ESOP 4" means the Amalgamating Company 1 employee stock option plan 2011, as approved by the Board and shareholders of the Amalgamating Company 1;

(z) "ESOP 5" means the Amalgamating Company 1 employee stock option plan 2012, as approved by the Board and shareholders of the Amalgamating Company 1;

(aa) "ESOP 6" means the Amalgamating Company 1 employee stock option plan 2014, as approved by the Board and shareholders of the Amalgamating Company 1;

(bb) "ESOP 7" means the Amalgamating Company 1 employee stock option plan 2016, as approved by the Board and shareholders of the Amalgamating Company 1;

(cc) "ESOP 8" means the Amalgamating Company 1 employee stock option plan 2017, as approved by the Board and shareholders of the Amalgamating Company 1;

(dd) "ESOP 9" means the Amalgamating Company 1 CMD employee stock option plan 2017, as approved by the Board of the Amalgamating Company 1 and subject to the approval of the shareholders of the Amalgamating Company 1;

(ee) "Existing Employees Stock Option Plan" means the Amalgamated Company employee stock option scheme 2015 established by the Amalgamated Company as per the SEBI (Share Based Employee Benefits) Regulations, 2014;

(ff) "Governmental Authority" means any governmental or statutory authority, government department, agency, commission, board tribunal or court or other entity authorized to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction or any state or other sub-division thereof or any municipality, district or other sub-division thereof having jurisdiction pursuant to Applicable Law, including the RBI, SEBI (as defined hereinafter) and the CCI;

(gg) "Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

(hh) "Liabilities" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of a Amalgamating Company, including all

secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), and undertakings of a Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge;

(ii) "LODR" means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;

(jj) "New Equity Shares" shall have the meaning set forth in Clause 11.1;

(kk) "NHB" means the National Housing Bank;

(ll) "NHB Control Directions" means the Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, dated February 9, 2017;

(mm) "Person" means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his / her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

(nn) "Proceedings" shall have the meaning set forth in Clause 15;

(oo) "Record Date" means the date to be fixed by the Boards of the Amalgamated Company in consultation with the Amalgamating Company 1 for the purpose of determining the equity shareholders (members) of the Amalgamating Company 1, to whom Amalgamated Company Shares will be allotted pursuant to this Scheme;

(pp) "Registrar of Companies" means the Registrar of Companies, Mumbai and / or the Registrar of Companies, Chennai, Tamil Nadu, having jurisdiction over the Amalgamated Company and the Amalgamating Companies, as may be applicable;

(qq) "RBI" shall have the meaning set forth in Clause 1.2;

(rr) "RBI Amalgamation Directions" means the RBI Master Direction – Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016;

(ss) "RBI Approval" means the Scheme being approved by the RBI pursuant to the RBI Amalgamation Directions;

(tt) "Scheme" means this composite scheme of amalgamation, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, in its present form (along with any annexures, schedules, etc., attached hereto), with such modifications and amendments as may be made from time to time in accordance with the terms hereof and with appropriate approvals including approvals of the shareholders / creditors and sanctions from the Tribunals or any Governmental Authority as may be required under the Companies Act and under all Applicable Laws;

(uu) "SEBI" means the Securities and Exchange Board of India;

(vv) "SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by the SEBI Circular dated January 3, 2018, and includes any amendments and clarifications thereto issued by SEBI from time to time;

(ww) "Share Exchange Ratio" shall have the meaning set forth in Clause 11.1 hereof;

(xx) "Stock Exchanges" shall have the meaning set forth in Clause 1.1;

(yy) "Stock Exchange Approval" means the no-objection / observation letter obtained by the Amalgamating Company 1 and the Amalgamated Company from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulation 37 of the LODR and the SEBI Circular;

(zz) "Tax" or "Taxes" means: (a) all forms of direct tax and indirect tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; and (b) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

(aaa) "Tax Authority" means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or Person responsible for Tax;

(bbb) "Transferee Stock Option Plan" shall have the meaning set forth in Clause 17.1;

(ccc) "Tribunal(s)" means the National Company Law Tribunal, Mumbai Bench, and/or National Company Law Tribunal, Chennai Bench and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Companies Act; and

(ddd) "Undertaking" means the entire business of each of the respective Amalgamating Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, Liabilities, duties, obligations and Employees as on the Appointed Date including, but not in any way limited to, the following:

(i) All the assets and properties (tangible or intangible, moveable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self assessment tax, withholding tax credits, any tax refunds and credits, minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits (including claims for carried forward tax losses and unabsorbed tax depreciation) advantages, privileges, exemptions, credits, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

(ii) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease, license and business arrangements), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax benefits, subsidies, concessions, grants, rights, claims, leases, licenses, right to use and / or access, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;

(iii) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Amalgamating Company's business activities and operations.

(iv) Amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.

(v) Right to any claim not preferred or made by the Amalgamating Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, tax holidays, credits, etc. under the Income Tax Act, sales tax, value added tax, service tax, custom duties and goods and service tax or any other or like benefits under the said acts or under and in accordance with any law or act, in India.

(vi) All debts (secured and unsecured), loans (whether denominated in Indian rupees or a foreign currency), deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Liabilities including tax

liabilities, contingent liabilities, debentures, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Amalgamation and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;

(vii) All other obligations of whatsoever kind, including Liabilities of the Amalgamating Company with regard to their Employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and / or permits; and

(viii) All Employees as on the Effective Date.

5.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

5.3 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;

5.4 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

5.5 Any reference to any statute or statutory provision shall include:

(a) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.6 Words denoting the singular shall include the plural and words denoting any gender shall include all genders. Words of either gender shall be deemed to include all the other genders.

5.7 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" shall be construed to be a reference to the Effective Date.

5.8 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

5.9 Words directly or indirectly mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and direct or indirect have the correlative meanings.

5.10 The words "include" and "including" are to be construed without limitation.

5.11 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.

5.12 Any reference to the Preamble, Recital, Clause or Schedule shall be a reference the Preamble to, or Recital, Clause or Schedule of this Scheme.

6. DATE OF TAKING EFFECT OF THE SCHEME

6.1 The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The various Parts of the Scheme shall be deemed to have taken effect in the following sequence:

(a) Firstly, Part C of the Scheme (relating to amalgamation of Amalgamating Company 1 into Amalgamated Company) shall be deemed to have taken effect, prior to Part D of the Scheme;

(b) Subsequently, Part D of the Scheme (relating to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company) shall be deemed to have taken effect, after Part C of the Scheme.

6.2 The amalgamation of Amalgamating Companies with Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

7. SHARE CAPITAL

7.1 Amalgamated Company

(a) The share capital structure of the Amalgamated Company as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
5,00,00,00,000 equity shares of ₹ 10 each	50,00,00,00,000
Total	50,00,00,00,000
Issued Share Capital	**Amount in Rupees**
3,40,26,76,128 equity shares of ₹ 10 each	34,02,67,61,280
Total	34,02,67,61,280
Subscribed and Paid Up Share Capital	**Amount in Rupees**
3,40,26,76,128 equity shares of ₹ 10 each	34,02,67,61,280
Total	34,02,67,61,280

(b) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.

(c) The Amalgamated Company has outstanding employee stock options under its existing employee stock option scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company.

7.2 Amalgamating Company 1

(a) The share capital structure of the Amalgamating Company 1 as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
11,30,00,000 equity shares of ₹ 10 each	1,13,00,00,000
Total	1,13,00,00,000
Issued Share Capital	**Amount in Rupees**
9,88,90,084 equity shares of ₹ 10 each	98,89,00,840
Total	98,89,00,840
Subscribed and Paid Up Share Capital	**Amount in Rupees**
9,88,90,084 equity shares of ₹ 10 each	98,89,00,840
Total	98,89,00,840

(b) The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges.

(c) The Amalgamating Company 1 has outstanding employee stock options under its existing employee stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1 and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1.

7.3 Amalgamating Company 2

(a) The share capital structure of the Amalgamating Company 2 as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
15,00,00,000 equity shares of ₹ 10 each	1,50,00,00,000
Total	1,50,00,00,000
Issued Share Capital	**Amount in Rupees**
13,77,33,079 equity shares of ₹ 10 each	1,37,73,30,790
Total	1,37,73,30,790
Subscribed and Paid Up Share Capital	**Amount in Rupees**
13,77,33,079 equity shares of ₹ 10 each	1,37,73,30,790
Total	1,37,73,30,790

(b) As on December 31, 2017, the Amalgamating Company 2 has no outstanding stock options exercisable into equity shares;

7.4 Amalgamating Company 3

(a) The share capital structure of the Amalgamating Company 3 as on December 31, 2017 is as under:

Authorized Share Capital	**Amount in Rupees**
6,20,00,000 equity shares of ₹ 10 each	62,00,00,000
38,00,000 preference shares of ₹ 100 each	38,00,00,000
Total	**1,00,00,00,000**
Issued Share Capital	**Amount in Rupees**
5,53,55,600 equity shares of ₹ 10 each	55,35,56,000
12,00,000 preference shares of ₹ 100 each	12,00,00,000
Total	**67,35,56,000**
Subscribed and Paid Up Share Capital	**Amount in Rupees**
5,53,55,600 equity shares of ₹ 10 each	55,35,56,000
12,00,000 preference shares of ₹ 100 each	12,00,00,000
Total	**67,35,56,000**

(b) As on December 31, 2017, the Amalgamating Company 3 has no outstanding stock options exercisable into equity shares.

8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES WITH THE AMALGAMATED COMPANY

Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, (i) the Amalgamating Company 1, and (ii) the Amalgamating Company 2 and Amalgamating Company 3, shall stand amalgamated into the Amalgamated Company and their respective Undertaking shall, pursuant to the sanction of the Scheme by the Tribunals and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

PART C

AMALGAMATION OF THE AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9. TRANSFER AND VESTING OF ASSETS OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9.1 Without prejudice to the generality of Clause 8 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 1, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company 1 shall, subject to the provisions of this Clause 9 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

9.2 In respect of such of the assets of the Amalgamating Company 1 as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 1, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

9.3 In respect of such of the assets belonging to the Amalgamating Company 1 other than those mentioned in Clause 9.2 above, the same shall, as more particularly provided in Clause 8 above, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

9.4 All assets, rights, titles or interests acquired by the Amalgamating Company 1 after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

10. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

10.1 Upon coming into effect of this Scheme, all Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of the Amalgamating Company 1, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 1 and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

10.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 1 as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 1 on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

10.3 Upon the coming into effect of the Scheme, all Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 1 from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the Liabilities, loans, duties and obligations of the Amalgamated Company.

10.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a Liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 1 and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either Amalgamating Company 1 and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

10.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company 1 which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

10.6 The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company 1 transferred to and vested in the Amalgamated Company by virtue of the Scheme.

10.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

10.8 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Liabilities transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.

10.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

11. CONSIDERATION

11.1 Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the whole of the Undertaking of Amalgamating Company 1 in the Amalgamated Company pursuant to Part C of this Scheme, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of Amalgamating Company 1 whose names are recorded in the register of members as a member of the Amalgamating Company 1 on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Amalgamated Company) 139 (One Hundred and Thirty Nine) Amalgamated Company Shares, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of ₹ 10 (Rupees Ten) each fully paid-up held by such member in the Amalgamating Company 1 ("Share Exchange Ratio"). The Amalgamated Company Shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company 1 in accordance with this Clause 11.1 shall be hereinafter referred to as "New Equity Shares". The New Equity Shares to be issued and allotted by the Amalgamated Company shall be subject to adjustments to take into account any corporate actions mutually agreed between Amalgamating Company 1 and the Amalgamated Company prior to the Effective Date.

11.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company 1, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company 1 and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transaction period.

11.3 Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of Amalgamating Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.

11.4 The New Equity Shares of Amalgamated Company allotted and issued in terms of Clause 11.1 above, shall be listed and / or admitted to trading on the relevant Stock Exchanges, where the equity shares of Amalgamated Company are listed and / or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the relevant Stock Exchanges.

11.5 Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of Amalgamating Company 1 whose names appear on the register of members as a member of the Amalgamating Company 1 on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company 1 in the records of the depositories / register of members, as the case may be, as on the Record Date, the equity shares of Amalgamating Company 1, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, Amalgamated Company may, instead of requiring the surrender of the share certificates of Amalgamating Company 1, directly issue and dispatch the new share certificates of Amalgamated Company in lieu thereof.

11.6 The New Equity Shares of Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company 1 as provided in sub-Clause 11.1 above shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank pari-passu in all respects with Amalgamated Company Shares

after the Effective Date including in respect of dividend, if any, that may be declared by Amalgamated Company on or after the Effective Date.

11.7 The issue and allotment of New Equity Shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under the Companies Act and any other applicable provisions of the Companies Act, and such other statues and regulations as may be applicable were duly complied with.

11.8 If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 11.1 above, the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company (the "Trustee"), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company 1 in proportion to their respective fractional entitlements.

11.9 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the New Equity Shares issued to the members of the Amalgamating Company 1 by the Amalgamated Company shall be in issued in dematerialized form by the Amalgamated Company, provided that the details of the depository accounts of the members of the Amalgamating Company 1 are made available to the Amalgamated Company by the Amalgamating Company 1 at least 2 (Two) working days prior to the Effective Date. In the event that such details are not available with the Amalgamated Company, it shall issue the New Equity Shares to the members of the Amalgamating Company 1 in physical form.

11.10 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1 as are subject to lock-in pursuant to Applicable Law, shall remain locked-in as required under Applicable Law.

11.11 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

12. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 1 with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

13. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

13.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible or for the obligations of which the Amalgamating Company 1 may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company 1 occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 1 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part C of this Scheme, be deemed to be authorized to execute

any such writings on behalf of any of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.

13.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1 shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

13.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 1 in any properties including leasehold/licensed properties of the Amalgamating Company 1, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

13.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 1 and the Amalgamated Company, that have not been completed, shall stand cancelled.

14. TAXATION MATTERS

14.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 1, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 1, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

14.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

14.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 1, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any Taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company 1 shall be deemed to be advance tax paid by the Amalgamated Company.

15. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Amalgamating Company 1 in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 1 or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 1, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 1.

16. EMPLOYEES OF AMALGAMATING COMPANY 1

16.1 All Employees of the Amalgamating Company 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 1 immediately preceding the Effective

Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 1 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 1 shall also be taken into account by the Amalgamated Company.

16.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

16.3 It is provided that as far as the provident fund, gratuity fund and pension and / or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 1 in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 1 for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 1 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 1 in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 1 and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

17. EMPLOYEE STOCK OPTION PLAN

17.1 In respect of stock options granted by the Amalgamating Company 1 under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to the Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 either under its Existing Employees Stock Option Plan or a revised stock option plan for the employees of the Amalgamated Company and the Eligible Employees or under a separate employee stock option plan created by the Amalgamated Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("Transferee Stock Option Plan").

17.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees under the Amalgamating Company 1 ESOP Plans shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by an Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

17.3 The grant of options to the Eligible Employees pursuant to Clause 17.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

17.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been

held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

17.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

PART D

AMALGAMATION OF THE AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18. TRANSFER AND VESTING OF THE RESPECTIVE ASSETS OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18.1 Without prejudice to the generality of Clause 8 above, upon coming into effect of the Scheme and with effect from the Appointed Date (after Part C is deemed to have taken effect), and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 2 and Amalgamating 3, respectively, of whatsoever nature and wherever situate, whether or not included in the respective books of Amalgamating Company 2 and Amalgamating 3, respectively, shall, subject to the provisions of this Clause 18 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

18.2 In respect of such of the assets of Amalgamating Company 2 and Amalgamating Company 3, respectively, as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 2 and Amalgamating Company 3, respectively, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

18.3 In respect of such of the assets belonging to the Amalgamating Company 2 and Amalgamating Company 3, respectively, other than those mentioned in Clause 18.2 above, the same shall, as more particularly provided in Clause 18.1 above, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

18.4 All assets, rights, titles or interests acquired by the Amalgamating Company 2 and Amalgamating Company 3, respectively, after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

19. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

19.1 Upon coming into effect of this Scheme, all the Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of Amalgamating Company 2 and the undertaking of Amalgamating Company 3, respectively, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 2 and Amalgamated Company 3, respectively, and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

19.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 2 and Amalgamating Company 3 respectively, on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

19.3 Upon the coming into effect of the Scheme, all the Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 2 and Amalgamating Company 3, respectively, from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the Liabilities, loans, duties and obligations of the Amalgamated Company.

19.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a Liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 2 and Amalgamating Company 3, respectively. and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company 2 and Amalgamating Company 3 respectively, and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

19.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

19.6 The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the respective assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 transferred to and vested in the Amalgamated Company by virtue of the Scheme.

19.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

19.8 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Liabilities transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.

19.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

20. CONSIDERATION

No consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company, and the securities held by the Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively, (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Amalgamating Company 1 with the Amalgamated Company) shall stand cancelled without any further act, application or deed. As the Amalgamating Company 2 and Amalgamating Company 3 are wholly-owned subsidiaries of the Amalgamated Company, no consideration shall be payable pursuant to the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3, respectively, into the Amalgamated Company, and the securities held by the Amalgamated Company in Amalgamating Company 2 and Amalgamating Company 3, shall stand cancelled without any further act, application or deed.

21. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 2 and Amalgamating

Company 3, respectively, with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

22. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

22.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or to the benefit of which Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be eligible or for the obligations of which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2 and Amalgamating Company 3, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

22.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of each of the Amalgamating Company 2 and Amalgamating Company 3 occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part D of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 2 and the Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 and the Amalgamating Company 3 to be carried out or performed.

22.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

22.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 2 and Amalgamating Company 3 in any properties including leasehold/ licensed properties of the Amalgamating Company 2 and Amalgamating Company 3, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

22.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 2 and the Amalgamating Company 3, respectively, with the Amalgamated Company, that have not been completed, shall stand cancelled,

23. TAXATION MATTERS

23.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 2 and Amalgamating Company 3, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 2 and Amalgamating Company 3, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

23.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

23.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 2 and the Amalgamating Company 3, respectively, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any Taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company 2 and Amalgamating Company 3, respectively, shall be deemed to be advance tax paid by the Amalgamated Company.

24. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other Proceedings by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 2 and Amalgamated Company 3.

25. EMPLOYEES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3

25.1 All Employees of the Amalgamating Company 2 and Amalgamation Company 3, respectively, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 2 and Amalgamating Company 3, respectively, immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 2 and Amalgamating Company 3, respectively, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 2 and Amalgamating Company 3 shall also be taken into account by the Amalgamated Company.

25.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

25.3 It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 2 and Amalgamated Company 3, respectively, in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 2 and Amalgamated Company 3, respectively, for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 2 and Amalgamating Company 3 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 2 and Amalgamating Company 3, respectively, and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

26. EMPLOYEE STOCK OPTION PLAN

26.1 In respect of stock options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to such Eligible Employees taking into

account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 under the Transferee Stock Option Plan.

26.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to such Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by such Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to such Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

26.3 The grant of options to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 pursuant to Clause 26.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

26.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by such Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

26.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

PART E

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

27. APPROVAL OF MEMBERS OF THE AMALGAMATING COMPANIES AND AMALGAMATED COMPANY

Each of the Amalgamating Companies and the Amalgamated Company undertake that the approval of the members of each of the Amalgamating Companies and the Amalgamated Company, respectively, shall be sought for the Scheme, in a meeting of such members with voting occurring through postal ballot and e-voting as may be applicable under the Companies Act and the SEBI Circular. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme including valuation report obtained by the Amalgamating Company 1 and the Amalgamated Company from Walker Chandiok & Co. LLP and S. R. Batliboi & Co. LLP and fairness opinion obtained from JM Financial Institutional Securities Limited and Kotak Mahindra Capital Company Limited, respectively, the complaints report and the observation letters received from the Stock Exchanges and such other documents / information as prescribed under the SEBI Circular.

28. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

28.1 The Amalgamating Companies and the Amalgamated Company have agreed that during the period between the approval of the Scheme by the respective Boards of the Amalgamating Companies and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Companies and the Amalgamated Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

28.2 With effect from the Appointed Date and up to and including the Effective Date:

(a) each of the Amalgamating Companies shall and shall be deemed to have been carrying on all business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Amalgamated Company;

(b) all profits and income accruing to each of the Amalgamating Companies, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of each of the Amalgamating Companies shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;

(c) any of the rights, powers, authorities, privileges exercised by each of the Amalgamating Companies shall be deemed to have been exercised by such Amalgamating Companies for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by each of the Amalgamating Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and

(d) all assets acquired and all Liabilities incurred by each of the Amalgamating Companies after the Appointed Date but prior to the Effective Date shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Amalgamated Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture holders.

29. DIVIDENDS

29.1 The Amalgamated Company and each of the Amalgamating Companies shall be entitled to declare and pay dividends, whether interim or final, to their shareholders, as per their respective dividend policies consistent with past practice in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamating Companies and the Amalgamated Company and prior to the Effective Date.

29.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Amalgamating Companies and/or the Amalgamated Company to demand or claim any dividends which, subject to Clause 29.1 and the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Amalgamating Companies and/or Amalgamated Company, as the case may be, and subject, wherever necessary, to the approval of the respective shareholders.

30. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of each of the Amalgamating Companies pursuant to this Scheme, and the continuance of Proceedings under Clauses 15 and 24 above shall not affect any transaction or Proceedings already concluded by any of the Amalgamating Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Companies in respect thereto, as if done and executed on its behalf.

31. COMBINATION OF AUTHORISED CAPITAL

31.1 Upon this Scheme becoming effective, the authorized share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of each of the Amalgamating Companies amounting to ₹ 363,00,00,000 (Rupees Three Hundred and Sixty Three Crores Only) and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 232 or any other applicable provisions of the Companies Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of each of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and / or fee by the Amalgamated Company for increase in the authorized share capital to that extent.

31.2 Pursuant to the Scheme becoming effective and consequent upon the Amalgamation of the Amalgamating Companies into the Amalgamated Company, the authorized share capital of the Amalgamated Company will be as under:

AUTHORISED SHARE CAPITAL:	**(₹)**
5,32,50,00,000 equity shares of ₹ 10 each	53,25,00,00,000
38,00,000 preference shares of ₹ 100 each	38,00,00,000
Total	53,63,00,00,000

31.3 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum and articles of association of the Amalgamated Company as may be required under the Companies Act, and Clause V of the memorandum of association of the Amalgamated Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorized Share Capital of the Company is ₹ 53,63,00,00,000 (Rupees Five Thousand Three Hundred and Sixty Three Crore only) divided into 5,32,50,00,000 (Five Hundred and Thirty Two Crore Fifty Lakh) Equity Shares of ₹ 10 (Rupees Ten) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of ₹ 100 (Rupees One Hundred) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

31.4 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of New Equity Shares in accordance with the Scheme. It is clarified that no special resolution under Section 62 of the Companies Act, shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of the New Equity Shares to the members of the Amalgamating Company 1 under this Scheme and for the members of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the New Equity Shares to the members of the Amalgamating Company 1 in terms of the Scheme.

32. DISSOLUTION OF THE AMALGAMATING COMPANIES

On the Scheme becoming effective, each of the Amalgamating Companies shall stand dissolved without being wound-up. On and with effect from the Effective Date, the name of the Amalgamating Companies shall be struck off from the records of the appropriate Registrar of Companies. The Amalgamated Company shall make necessary filings in this regard.

33. APPLICATIONS / PETITIONS TO THE TRIBUNALS AND APPROVALS

33.1 Each of the Amalgamating Companies and the Amalgamated Company, respectively, shall, with all reasonable dispatch, make and file all applications under Sections 230 to 232 read with other applicable provisions of the Companies Act, to the respective Tribunals, for sanction of this Scheme and for dissolution of Amalgamating Companies.

33.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Amalgamated Company may require to own the Undertaking and to carry on the business of each of the Amalgamating Companies.

34. MODIFICATIONS / AMENDMENTS TO THE SCHEME

34.1 The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other Person or Persons, as the respective Boards may authorize, including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority, whether in pursuance of a change in Applicable Law or otherwise. The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other person or persons, as the respective Boards may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

34.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Amalgamating Companies and / or the Amalgamated Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

35. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of each of the Amalgamating Companies as are considered necessary by the Board of Amalgamated Company which are validly subsisting be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

36. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the receipt of the following approvals:

(a) the RBI Approval;

(b) the Stock Exchanges Approval;

(c) the CCI Approval;

(d) NHB approval for change in control / management of Amalgamating Company 2 in terms of the NHB Control Directions;

(e) approval from SEBI, the Stock Exchanges and / or National Securities Depository Limited, as may be required;

(f) receipt of approval from the RBI under Section 12B of the BR Act, New Bank Guidelines and the RBI Master Directions – Ownership in Private Sector Banks, Directions 2016, for the parent company of the Amalgamating Company 1 to be allotted 5% or more shares in the Amalgamated Company pursuant to the Transaction;

(g) this Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant Tribunals;

(h) the Scheme having been approved by the relevant Tribunals and the Amalgamating Companies and the Amalgamated Company having received a certified true copy of order of the Tribunals approving the Scheme;

(i) certified copes of the order of the Tribunals approving the Scheme being filed with the Registrar of Companies;

(j) due compliance with any condition(s) stipulated by the RBI and / or any other relevant Governmental Authority prior to the effectiveness of the Amalgamation;

(k) divestment by the Amalgamating Company 3 of its entire shareholding in CFCL; and

(l) such other conditions as may be mutually agreed between the Amalgamating Company 1 and the Amalgamated Company.

37. EFFECT OF NON-SATISFACTION OF THE CONDITIONS / NON RECEIPT OF APPROVALS / SANCTIONS

37.1 In the event of any of the said approvals referred to in Clause 36 above not being obtained and / or complied with and / or satisfied and / or this Scheme not being sanctioned by the respective Tribunal and / or order or orders not being passed as aforesaid before the expiry of 15 (Fifteen) months from the date of approval of the Scheme by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect. Provided that, in case of non-satisfaction of any other conditions precedent, the Amalgamating Company 1 and the Amalgamated Company shall proceed in such manner as may be mutually agreed between them.

37.2 If any provision of this Scheme hereof is invalid, ruled illegal by either Tribunal, or unenforceable under present or future Applicable Laws, then such provision (so far as it is invalid or unenforceable) shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either any of the Amalgamating Companies or the Amalgamated Company, then in such case the Amalgamating Companies and the Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such provision.

37.3 If any proposed modification / amendment to this Scheme under Clause 34.1, materially adversely affects the interest of any of the Amalgamating Companies or the Amalgamated Company, then such modification / amendment shall not be binding on such affected party, and such party shall have the right to withdraw the Scheme.

37.4 The Amalgamating Companies and the Amalgamated Company, acting through their respective Boards, may mutually agree in writing to withdraw this Scheme from the Tribunals.

38. COSTS AND EXPENSES

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of the Amalgamating Companies and the Amalgamated Company in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by such Amalgamating Companies and the Amalgamated Company, till the Effective Date.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

VALUATION REPORT

To
The Board of Directors

13 January 2018

IDFC Bank Limited
Naman Chambers C-32,
G-Block Bandra-Kurla Complex,
Bandra East, Mumbai - 400051,
Maharashtra, India.

Sub: Recommendation of fair exchange ratio for the proposed merger of Capital First Limited into IDFC Bank Limited

Dear Sir / Madam,

We refer to the engagement letter whereby, IDFC Bank Limited (hereinafter referred to as "IBL") has appointed S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC" or "Valuer" or "We") for recommendation of fair exchange ratio of equity shares for the proposed merger of Capital First Limited ("CFL") into IBL ("Proposed Merger"), based on the discussions that we have had with and information that we have received from the representatives and Management of IBL ("Management") from time to time in the above matter.

IBL and CFL are hereinafter jointly referred to as the "Companies".

SCOPE AND PURPOSE OF THIS REPORT

IBL is primarily engaged in providing banking services in India. The equity shares of IBL are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange in India ("NSE"). IBL was incorporated in 2014. IBL had reported consolidated total income and profit after tax of INR 9,597.4 crores and INR 1,018.7 crores respectively, for the year ended 31 March 2017.

CFL is a Non –Deposit Accepting Non-Banking Financial Company ("NBFC") which provides loans for property, business, personal loans, two-wheeler loans, consumer durable loans, and pre-owned car loans. The equity shares of CFL are listed on BSE and NSE. CFL was incorporated in 2005. CFL had reported consolidated total income and net profit after tax of INR 2,800.9 crores and INR 238.9 crores respectively for the year ended 31 March 2017.

Capital First Home Finance Limited ("CFHFL") a 100% subsidiary of CFL, is engaged in the business of housing finance. CFHFL was incorporated in 2010 and is headquartered in Mumbai. CFHFL had reported total income and net profit after tax of INR 71.2 crores and INR 6.4 crores respectively for the year ended 31 March 2017.

Capital First Securities Limited ("CFSL"), another 100% subsidiary of CFL provides business advisory, business support services and loan syndication. CFSL was incorporated in 2007 and is based in Mumbai. CFSL had reported total income and net profit after tax of INR 14.9 crores and INR 14.3 crores respectively for the year ended 31 March 2017.



S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

We understand that the Management is contemplating the merger of CFL, CFHFL and CFSL into IBL ("Proposed Merger") under a composite scheme of Arrangement and Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and The Companies Rules 2016. Since, CFHFL and CFSL are wholly owned operating subsidiaries of CFL, no separate shares will issued to the shareholders of CFL. Accordingly, as a consideration for this Transaction, equity shareholders of CFL would be issued equity shares of IBL.

For the aforesaid purpose, the Board of Directors of IBL has appointed SRBC to recommend a fair exchange ratio, for the issue of IBL's equity shares to the equity shareholders of CFL, to be placed before the Audit Committee/Board of Directors of IBL.

Our appointment was formalized via engagement letter dated 12 January 2018, however, the work had started earlier.

The Board of Directors of CFL has appointed another independent valuer, Walker Chandiok & Co. LLP, Chartered Accountants ("WCC"), to recommend a fair exchange ratio, for the issue of IBL's equity shares to the equity shareholders of CFL, to be placed before the Audit Committee/Board of Directors of CFL. We and WCC have received information and clarification from or on behalf of their respective clients. We and WCC have independently arrived at different values per share of the Companies. However, to arrive at the consensus on the fair exchange ratio for the Proposed Merger, appropriate rounding off adjustments have been done.

We understand that the appointed date for the merger is 01 April 2018 or such other date as approved by the Courts.

The scope of our services is to conduct a relative (and not absolute) valuation of equity shares of the Companies and report a fair exchange ratio for the Proposed Merger in accordance with generally accepted professional standards.

We have been provided with audited financial statements and other financial information of IBL and CFL for the year ended 31 March 2017 and latest available half yearly result of respective companies. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, the Management has informed us that all material information impacting the Companies have been disclosed to us.

The Management has informed us that:

(a) There would not be any capital variation in the Companies till the Proposed Merger becomes effective without approval of the shareholders other than on account of existing ESOP Scheme which would not be material;

(b) Neither Companies would declare any dividend which are either materially different than those declared in the past few years or having materially different yields.

(c) There are no unusual/abnormal events in both the Companies since the last quarterly results were declared till the Report Date materially impacting their operating/financial performance.

We have relied on the above while arriving at the fair exchange ratio for the Proposed Merger.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information about the Companies as received from the Management and/or gathered from public domain:

- Annual reports for the year ended 31 March 2017 and earlier periods for IBL and CFL;
- Unaudited (limited reviewed) results for the half year ended 30 September 2017 for IBL and CFL;
- List of outstanding ESOPs for various plans with respective exercise price for the Companies
- Other relevant information

Besides the above listing, there may be other information provided by the Client which may not have been perused by us in any detail, if not considered relevant for our defined scope.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. IBL has been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (physical/over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - SRBC' internal transactions database
    - Proprietary databases subscribed by us
- Selection internationally accepted valuation methodology/ (ies) as considered appropriate by us.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 8 January 2018 ('Valuation Date'). We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the audited financial statements of IBL and CFL as at 31 March 2017 and unaudited (limited reviewed) financial results for the quarter and six months ended 30 September 2017. The Management has represented that the business activities of IBL and CFL have been carried out in the normal and ordinary course between 30 September 2017 and the Valuation date and that no material changes have occurred in their respective operations and financial position between 30 September 2017 and the Valuation date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by IBL and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the exchange ratio of the equity shares of IBL and CFL. The final responsibility for the determination of the exchange ratio at which the Proposed Merger shall take place will be with the Board of Directors of IBL who should take into account other factors such as their own assessment of the Proposed Merger and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section - Sources of Information.



We have not independently investigated or otherwise verified the financial information provided by IBL. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from IBL, we have been given to understand by the Management of IBL that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of IBL. The Management of IBL has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that IBL and CFL comply fully with relevant laws and regulations applicable in all its areas of operations, and that IBL and CFL will be managed in a competent and responsible manner. Further, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The report does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to IBL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement and Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

SHAREHOLDING PATTERN

IDFC Bank Limited

The issued and subscribed equity share capital of IBL as at 30 September 2017 is INR 3401.9 Crores consisting of 3,40,18,82,609 equity shares of face value of INR 10 each.
The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No of Shares	% Share Holding
Promoter & Group	1,79,75,12,668	52.8%
Public- Institutions	1,04,30,23,094	30.7%
Public- Non Institutions	56,13,46,847	16.5%
Grand Total	3,40,18,82,609	100.0%

Source: BSE filing

Capital First Limited

The issued and subscribed equity share capital of CFL as at 30 September 2017 is INR 97.82 Crores consisting of 9,78,24,594 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No of Shares	% Share Holding
Promoter & Group	3,51,85,602	36.0%
Public- Institutions	3,66,30,431	37.4%
Public- Non Institutions & others	2,60,08,561	26.6%
Grand Total	9,78,24,594	100.00%

Source: BSE filing

APPROACH - BASIS OF MERGER

The Proposed Scheme of Amalgamation contemplates the merger of CFL into IBL. Arriving at the fair exchange ratio for the Proposed Merger of CFL into IBL would require determining the relative value of the equity shares of CFL and the equity shares of IBL. These values are to be determined independently, but on a relative basis for both the Companies.

There are several commonly used and accepted methods for determining the fair exchange ratio for the Proposed Merger of CFL into IBL, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with

changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price Method

The market price of an equity share as quoted on a stock exchange, where the shares regularly and freely traded in, is normally considered as the value of the equity shares of that company. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of the Companies are listed on BSE and NSE. The share price observed on NSE for the respective Companies over a reasonable period have been considered for arriving at the value per share of the Companies under the market price method.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have considered Price to Book (P/BV) multiple and Price to Earnings (P/E) multiple of the comparable listed companies for the purpose of our valuation.

The total value of equity shareholders is then divided by the number of diluted equity shares (considering impact of ESOPs outstanding) for arriving at the value per equity share of the Companies under CCM method.

Discounted Cash Flows ("DCF") Method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:



Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

We have not used DCF method as the Management has not provided us with the financial projections.

Net Asset Value ("NAV") Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach may be used in cases where the assets base dominates the earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

We have not used NAV method as it does not capture the earning capacity of the business and hence NAV would not be representative of fair value.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- The equity shares of IBL and CFL are frequently traded on both the stock exchanges, BSE & NSE in India.
- Key operating / financial parameters of Companies vis-à-vis its comparable companies.

BASIS OF FAIR EXCHANGE RATIO

The basis of the Transaction of CFL into IBL would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the recommending the fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of IBL and CFL but at their relative values to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of IBL and CFL based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of IBL and CFL, having regard to information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of IBL and CFL.

The computation of fair exchange ratio is tabulated below:

Valuation Approach	IBL		CFL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	44.4	0%	251.5	0%
Market Approach – Market Price method	55.8	50%	785.2	50%
Income Approach – Comparable Companies Multiples Method	62.8	50%	860.5	50%
Relative Value per Share	59.3		822.8	
Fair Exchange Ratio (rounded off)			13.9	

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair exchange ratio for the Proposed Merger of CFL into IBL:

139 (One Hundred and Thirty Nine) equity shares of IBL of INR 10/- each fully paid up for every 10 (Ten) equity shares of CFL of INR 10/- each fully paid up.

Respectfully submitted,

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Jayesh Gandhi
Partner
Membership No: 037924

January 13, 2018

The Board of Directors
IDFC Bank Limited
Naman Chambers, 6th Floor C-32,
G-Block, Bandra-Kurla Complex
Bandra (East),
Mumbai – 400051

Dear Sirs,

Sub: Proposed merger of Capital First Limited ("CFL") with IDFC Bank Limited ("IDFC Bank" or the "Company") ("Proposed Transaction")

IDFC Bank Limited has requested us to issue a fairness opinion ("Opinion") from a financial point of view of the Swap Ratio (as defined below) in relation to the Proposed Transaction.

Proposed Transaction background: IDFC Bank Limited and Capital First Limited are proposing to enter into a composite scheme of amalgamation, which envisages the following:

- Capital First Limited, Capital First Home Finance (100% subsidiary of CFL) and Capital First Securities (100% subsidiary of CFL) ("together Capital First Group") will amalgamate with IDFC Bank Limited

Our scope is restricted to providing an Opinion on the Swap Ratio for the merger of Capital First Group with IDFC Bank.

In arriving at our Opinion, we have reviewed historical financial and listed stock price data. We have also reviewed certain publicly available information, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions. We have also reviewed the valuation report issued to IDFC Bank by S.R. Batliboi & Co. dated January 13, 2018 for the Proposed Transaction. We have also assumed that the final Swap ratio will be substantially the same in the scheme as discussed with you and reviewed by us.

We have had discussions with members of the management of IDFC Bank regarding the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from IDFC Bank dated January 12, 2018 ("Management Representation Letters").

Further, we have had discussions with S.R. Batliboi & Co., the valuation advisor, on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

Based on our examination and according to the information and explanation provided to us, we note that the Proposed Transaction entails Amalgamation of IDFC Bank and Capital First Group.

Kotak Mahindra Capital Company Limited
CIN U67120MH1995PLC134050
Registered Office:
27BKC
C - 27, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051, India.
T +91 22 43360000
F +91 22 67132445
www.investmentbank.kotak.com

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge IDFC Bank and Capital First to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Transaction would be carried out in compliance with applicable laws, rules and regulations.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of IDFC Bank or Capital First Group nor have we evaluated the solvency or fair value of IDFC Bank or Capital First Group, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of IDFC Bank or Capital First Group.

Our Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us.

We express no view as to, and our Opinion does not address, the underlying business decision of or IDFC Bank and Capital First Group to effect the Proposed Transaction or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of IDFC Bank or Capital First Group as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of the IDFC Bank or Capital First will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of IDFC Bank or Capital First may be transacted.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Opinion, and the information made available to us as of, the date hereof, including the capital structure of IDFC Bank and Capital First Group. Our opinion does not address matters such as corporate governance or shareholder rights. We have assumed the Proposed Transaction is legally enforceable.

We will receive a fee for our services in connection with the delivery of this Opinion from IDFC Bank. In addition, IDFC Bank has agreed to indemnify us from any claims arising from any material misstatements or omissions in any information supplied by IDFC Bank or in relation to our engagement in providing the Opinion.

We and our affiliates in the past have provided, and currently provide, services to IDFC Bank and Capital First and their affiliates unrelated to the Proposed Transaction for which services we and such affiliates have received and expect to receive compensation, including, without limitation as creditors and as financial advisors for the purchase/sale of assets/businesses/securities by/to IDFC Bank or Capital First (as the case may be).

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with IDFC Bank and Capital First, and their respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of IDFC Bank, and shall not confer rights or remedies upon, any shareholder of IDFC Bank, or any other person other than the members of the Board of Directors of IDFC Bank, or be used for any other purpose, except to the extent required by law. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be kept open for inspection by shareholders of IDFC Bank, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

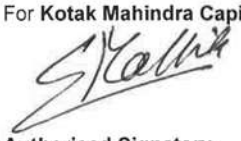
The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that, as of the date hereof, the proposed Swap Ratio is Fair from a financial point of view.

Yours faithfully,

For **Kotak Mahindra Capital Company Limited**



Authorised Signatory
Name: Sourav Mallik
Designation: Joint Managing Director

Deloitte
Haskins & Sells

Chartered Accountants
19th floor, Shapath - V,
S G Highway,
Ahmedabad - 380 015,
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDFC BANK LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **IDFC BANK LIMITED** (the "Bank") for the year ended 31 March, 2018 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the matters in Note 11 of the Statement.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related financial statements for the year ended 31 March, 2018, which are prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, in so far as applicable to banks, other accounting principles generally accepted in India and the Guidelines issued by the Reserve Bank of India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and



Deloitte
Haskins & Sells

(ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year ended 31 March, 2018.

5. The Statement includes the results for the quarter ended 31 March, 2018 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 24 April, 2018

IDFC

IDFC Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu

CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the year ended March 31, 2018 (Standalone)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2018 (refer note 13)	Quarter ended 31.12.2017	Quarter ended 31.03.2017 (refer note 13)	Year ended 31.03.2018	Year ended 31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	228130.18	228371.92	222337.74	893000.46	853271.45
	(a) Interest / discount on advances / bills	114018.17	122292.72	127351.56	472294.52	508841.82
	(b) Income on investments	106782.44	102785.55	90607.97	404130.69	328878.22
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	344.22	243.95	2191.80	827.41	5721.37
	(d) Others	6985.35	3049.70	2186.41	15747.84	9830.04
2	Other Income (refer note 6)	9304.63	23078.68	5627.35	111789.27	101311.56
3	TOTAL INCOME (1+2)	237434.81	251450.60	227965.09	1004789.73	954583.01
4	Interest Expended	182806.93	178875.57	172129.95	713190.74	651539.43
5	Operating Expenses (i)+(ii)+(iii)+(iv)	48988.83	41102.79	29810.41	165259.43	127697.64
	(i) Employees cost	18114.40	17140.46	9480.13	67597.49	57362.20
	(ii) Depreciation on bank's property	4351.57	4062.45	3664.70	16348.49	13434.42
	(iii) Professional fees	4286.68	4126.55	3803.87	15472.50	14083.15
	(iv) Other operating expenses	22236.18	15773.33	12861.71	65840.95	42817.87
6	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	231795.76	219978.36	201940.36	878450.17	779237.07
7	Operating Profit (3-6) (Profit Before Provisions and Contingencies)	5639.05	31472.24	26024.73	126339.56	175345.94
8	Provisions (other than tax) and Contingencies (Net)	24245.98	10860.79	479.66	23609.57	28250.38
9	Exceptional Items	-	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	(18606.93)	20611.45	25545.07	102729.99	147095.56
11	Tax Expense (refer note 7)	(22800.34)	6000.00	7950.01	16799.66	45121.78
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	4193.41	14611.45	17595.06	85930.33	101973.78
13	Extraordinary Items (Net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	4193.41	14611.45	17595.06	85930.33	101973.78
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 8)	340407.49	340267.61	339900.62	340407.49	339900.62
16	Reserves excluding Revaluation Reserves				1185246.35	1127904.28
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	7.68%	7.68%	7.69%	7.68%	7.69%
	(ii) Capital adequacy ratio (Basel III) (refer note 9)	18.00%	19.15%	18.90%	18.00%	18.90%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 8)					
	- Basic (₹)	0.12	0.43	0.52	2.53	3.00
	- Diluted (₹)	0.12	0.43	0.51	2.52	2.98
	(iv) NPA ratios (refer note 2 & 10)					
	(a) Amount of gross NPAs	177906.20	277666.80	154210.14	177906.20	154210.14
	(b) Amount of net NPAs	89115.77	120627.99	57647.24	89115.77	57647.24
	(c) % of gross NPAs to gross advances	3.31%	5.62%	2.99%	3.31%	2.99%
	(d) % of net NPAs to net advances	1.69%	2.52%	1.14%	1.69%	1.14%
	(v) Return on assets (annualized)	0.14%	0.49%	0.63%	0.72%	1.04%

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

IDFC

Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2018 (refer note 13)	Quarter ended 31.12.2017	Quarter ended 31.03.2017 (refer note 13)	Year ended 31.03.2018	Year ended 31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue					
	a Treasury	147732.37	157319.25	151062.72	648677.46	675299.79
	b Wholesale Banking	94219.50	113893.73	122758.72	435858.18	514464.06
	c Retail Banking	28459.47	20132.10	10109.98	78846.04	24190.27
	d Other Banking Business	318.69	248.74	86.52	803.63	115.18
	e Unallocated	4036.11	(95.85)	(45.44)	4117.58	335.92
	Total Segment Revenue	274766.14	291497.97	283972.50	1168302.89	1214405.22
	Add/(Less) : Inter Segment Revenue	(37331.33)	(40047.37)	(56007.41)	(163513.16)	(259822.21)
	Income from Operations	237434.81	251450.60	227965.09	1004789.73	954583.01
2	Segment Results After Provisions & Before Tax					
	a Treasury	18629.50	5971.02	(6053.74)	104881.81	78196.33
	b Wholesale Banking	(12249.45)	36844.81	47896.66	83475.94	142688.03
	c Retail Banking	(11326.03)	(8813.39)	(7105.19)	(33569.31)	(34024.44)
	d Other Banking Business	49.34	(25.71)	86.52	(211.36)	115.18
	e Unallocated	(13710.29)	(13365.28)	(9279.18)	(51847.09)	(39879.54)
	Total Profit Before Tax	(18606.93)	20611.45	25545.07	102729.99	147095.56
3	Segment Assets					
	a Treasury	6947360.77	6663228.70	5827057.11	6947360.77	5827057.11
	b Wholesale Banking	4532599.05	4216584.56	4765873.54	4532599.05	4765873.54
	c Retail Banking	913955.02	716513.60	375600.45	913955.02	375600.45
	d Other Banking Business	709.11	490.87	115.18	709.11	115.18
	e Unallocated	257393.93	223092.30	247319.53	257393.93	247319.53
	Total Segment Assets	12652017.88	11819910.03	11215965.81	12652017.88	11215965.81
4	Segment Liabilities					
	a Treasury	5891889.51	5597537.43	4946422.67	5891889.51	4946422.67
	b Wholesale Banking	4345150.20	4028279.63	4419976.85	4345150.20	4419976.85
	c Retail Banking	876006.93	661254.36	373779.51	876006.93	373779.51
	d Other Banking Business	211.36	260.70	-	211.36	-
	e Unallocated	13106.04	11780.37	7981.88	13106.04	7981.88
	Total Segment Liabilities	11126364.04	10299112.49	9748160.91	11126364.04	9748160.91
5	Capital Employed (Segment Assets - Segment Liabilities)	1525653.84	1520797.54	1467804.90	1525653.84	1467804.90

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India ('the RBI').

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

IDFC

Notes:

1 Statement of Assets and Liabilities of the Bank as at March 31, 2018 and March 31, 2017 is given below :

(₹ in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
CAPITAL AND LIABILITIES		
Capital	340407.49	339900.62
Employees' stock options outstanding	-	107.14
Reserves and surplus	1185246.35	1127797.14
Deposits	4819820.25	4020822.46
Borrowings	5728706.54	5026218.57
Other liabilities and provisions	577837.25	701119.88
TOTAL	12652017.88	11215965.81
ASSETS		
Cash and balances with Reserve Bank of India	305085.56	303629.08
Balances with banks and money at call and short notice	184094.18	206570.63
Investments	6120153.42	5047169.61
Advances	5216488.81	4940168.32
Fixed Assets	78413.07	78655.15
Other Assets	747782.84	639773.02
TOTAL	12652017.88	11215965.81

2 In terms of SEBI circular no. CIR/CFD/CMD/80/2017 dated July 18, 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process. The following table sets forth, details of divergence in the asset classification and provisioning as per RBI's supervisory process for the year ended March 31, 2017.

(₹ in lakhs)

	Particulars	As at 31.03.2017
1	Gross NPAs as on March 31, 2017 as reported by the bank	154210.14
2	Gross NPAs as on March 31, 2017 as assessed by RBI	181279.78
3	Divergence in Gross NPAs (2-1)	27069.64
4	Net NPAs as on March 31, 2017 as reported by the bank	57647.24
5	Net NPAs as on March 31, 2017 as assessed by RBI	77949.47
6	Divergence in Net NPAs (5-4)	20302.23
7	Provisions for NPAs as on March 31, 2017 as reported by the bank *	108212.90
8	Provisions for NPAs as on March 31, 2017 as assessed by RBI	103330.31
9	Divergence in provisioning (8-7)	-
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	101973.78
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	101973.78

* Provision for NPAs as reported by the Bank is adjusted to include a specific provision of ₹116.50 crore as on March 31, 2017 held against a particular asset identified by RBI for divergence in the current financial year. The said provision was made in earlier years in line with the Bank's provisioning policy and was in **excess** of the provision assessed by RBI. **Accordingly, there is no divergence in provisioning and no impact on Profit After Tax for the year ended March 31, 2017 due to divergence.**

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

3 The above results were reviewed by the Audit Committee on April 23, 2018 and approved by the Board of Directors on April 24, 2018. There are no qualifications in the auditor's report for the year ended March 31, 2018. The information presented above is extracted from the audited financial statements.

4 The above financial results of the Bank have been prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as specified under Section 133 of the Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to Banks, and the guidelines issued by the RBI. In addition, the Bank has automated its key operations with the key applications largely integrated with the core banking solutions and general ledger system. Accordingly, branch returns are not required to be submitted.

5 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. The proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

6 "Other Income" includes non-fund based income such as commission, fees, earnings from foreign exchange and derivative transactions and profit / (loss) from sale of investments. Other income for the year ended March 31, 2018 includes profit on sale of investments in the 'Held to Maturity (HTM)' category of ₹ 410.17 crore (Previous Year ₹ 10.96 crore). Profit on sale of investments in the HTM category (net of applicable taxes and statutory reserves) of ₹ 202 crore (Previous Year ₹ 5.50 crore) is appropriated to Capital Reserve in accordance with the RBI guidelines.

7 During the quarter ended March 31, 2018, the Bank received favourable income tax orders relating to matter under scrutiny by tax department, which has resulted in write-back of tax provision for earlier years of ₹ 62.57 crore (Previous Year ₹ 1.28 crore) and has remeasured the deferred tax assets at applicable tax rates, which resulted in tax credit of ₹ 77.43 crore (Previous Year Nil).

8 During the quarter and year ended March 31, 2018, the Bank has issued 1398777 and 5068721 equity shares respectively of face value of ₹10 each pursuant to the exercise of options under the Employee Stock Option Scheme.

9 The Board of Directors has proposed a dividend of ₹ 0.75 per share (7.50%) [(Previous Year ₹ 0.75 per share) (7.50%)] for the year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting. Capital adequacy ratio as at March 31, 2018 is after considering the impact of proposed dividend for FY 2017-18. Capital adequacy ratio after considering the impact of proposed dividend for FY 2016-17 was 18.51% as at March 31, 2017.

10 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.

11 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC. 80/21/21.06.201/ 2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : http://www.idfcbank.com/regulatory-disclosures.html. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.

12 The Bank has not spread provisioning for mark to market (MTM) losses on investment held in AFS and HFT category for the quarters ended December 31, 2017 and March 31, 2018, though allowed by RBI vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 with a view to address the systemic impact of sharp increase in yields of Government Securities.

13 The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year which was subject to limited review.

14 The figures for the previous quarter / period have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Date: April 24, 2018
Place: Mumbai

For and behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO

IDFC BANK LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedule No.	As at March 31, 2018 (₹ in Thousands)	As at March 31, 2017 (₹ in Thousands)
CAPITAL AND LIABILITIES			
Capital	1	**34,040,749**	33,990,062
Employees' stock options outstanding	1a	**-**	10,714
Reserves and surplus	2	**118,524,635**	112,779,714
Deposits	3	**481,982,025**	402,082,246
Borrowings	4	**572,870,654**	502,621,857
Other liabilities and provisions	5	**57,783,725**	70,111,988
TOTAL		**1,265,201,788**	1,121,596,581
ASSETS			
Cash and balances with Reserve Bank of India	6	**30,508,556**	30,362,908
Balances with banks and money at call and short notice	7	**18,409,418**	20,657,063
Investments	8	**612,015,342**	504,716,961
Advances	9	**521,648,881**	494,016,832
Fixed assets	10	**7,841,307**	7,865,515
Other assets	11	**74,778,284**	63,977,302
TOTAL		**1,265,201,788**	1,121,596,581
Contingent liabilities	12	**2,156,898,781**	2,036,112,298
Bills for collection		**-**	-
Significant accounting policies and notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
I	**INCOME**			
	Interest earned	13	**89,300,046**	85,327,145
	Other income	14	**11,178,927**	10,131,156
	TOTAL		**100,478,973**	95,458,301
II	**EXPENDITURE**			
	Interest expended	15	**71,319,074**	65,153,943
	Operating expenses	16	**16,525,943**	12,769,764
	Provisions and contingencies	18.30	**4,040,923**	7,337,216
	TOTAL		**91,885,940**	85,260,923
III	**NET PROFIT FOR THE YEAR (I-II)**		**8,593,033**	10,197,378
	Balance in profit and loss account brought forward from previous year		**16,465,871**	12,129,256
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**25,058,904**	22,326,634
V	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.32	**2,150,000**	2,550,000
	Transfer (from) / to investment reserve	18.32	**(5,500)**	5,500
	Transfer to capital reserve	18.32	**2,020,000**	55,000
	Transfer to special reserve	18.32	**750,000**	3,250,000
	Dividend paid (includes tax on dividend)	18.54	**3,047,753**	263
	Balance in profit and loss account carried forward		**17,096,651**	16,465,871
	TOTAL		**25,058,904**	22,326,634
VI	**EARNINGS PER EQUITY SHARE**	18.47		
	(Face value ₹ 10 per share)			
	Basic (₹)		**2.53**	3.00
	Diluted (₹)		**2.52**	2.98

Significant accounting policies and notes to accounts 17 & 18

The schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
A	**Cash flow from operating activities**			
	Net profit before taxes		10,272,999	14,709,555
	Adjustments for :			
	Depreciation on fixed assets	16 (V)	1,634,849	1,343,442
	Provision for / (release of) depreciation in value of investments	18.30	(956,000)	1,569,048
	Amortisation of premium on held to maturity investments		1,135,794	293,121
	Write back of provision for non performing advances	18.30	(5,796,120)	(10,623,023)
	Additional / (write back) of specific provisions	18.30	(1,085,200)	220,565
	Provision on unhedged foreign currency exposure	18.30	53,000	12,094
	Loss on sale of fixed assets (net)	14 (IV)	10,875	53,527
	Write back of provision for restructured assets	18.30	(400)	(5,175,600)
	Bad-debts including technical / prudential write off	18.30	9,978,783	18,405
	Provision for standard assets	18.30	42,824	(309,240)
	Loss on sale of loans to ARC	18.30	-	17,111,999
	Other provisions and contingencies	18.30	123,971	719
	Adjustments for :			
	(Increase) / decrease in investments (excluding held to maturity investment and investment in subsidiary)		(99,023,449)	(160,941,192)
	(Increase) / decrease in advances		(30,729,113)	(38,110,458)
	Increase / (decrease) in deposits		79,899,779	319,891,793
	(Increase) / decrease in other assets		(9,205,478)	(24,005,125)
	Increase / (decrease) in other liabilities and provisions		(12,424,087)	28,780,093
	Direct taxes paid (net of refunds)		(3,399,440)	(2,374,383)
	Net cash flow generated from / (used in) operating activities (A)		(59,466,413)	142,465,340
B	**Cash flow from investing activities**			
	Purchase of fixed assets		(1,650,451)	(2,557,638)
	Proceeds from sale of fixed assets		28,935	23,703
	(Increase) / decrease in held to maturity investments		(8,566,326)	(45,246,618)
	Purchase of subsidiary		-	(2,963,644)
	Dividend from subsidiary		111,600	-
	Net cash flow generated from / (used in) investing activities (B)		(10,076,242)	(50,744,197)
C	**Cash flow from financing activities**			
	Increase / (decrease) in borrowings		70,248,797	(68,976,450)
	Proceeds from issue of share capital		239,614	257,853
	Payment of dividend including dividend distribution tax (net off dividend distribution tax paid by subsidiary)		(3,047,753)	(1,021,644)
	Net cash flow generated from / (used in) financing activities (C)		67,440,658	(69,740,241)
	Net increase in cash and cash equivalents (A+B+C)		(2,101,997)	21,980,902
	Cash and cash equivalents at the beginning of the year		51,019,971	29,039,069
	Cash and cash equivalents at the end of the year		48,917,974	51,019,971
	Represented by :			
	Cash and Balances with Reserve Bank of India	6	30,508,556	30,362,908
	Balances with Banks and Money at Call and Short Notice	7	18,409,418	20,657,063
	Cash and cash equivalents at the end of the year		48,917,974	51,019,971

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date : April 24, 2018
Place : Mumbai

For and behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Abhijit Sen
Director

Bipin Gemani
Chief Financial Officer

Rajiv B. Lall
Founder Managing Director & CEO

Sunil Kakar
Director

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Deloitte Haskins & Sells

Chartered Accountants
19th floor, Shapath - V,
S G Highway,
Ahmedabad - 380 015,
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDFC BANK LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **IDFC Bank Limited** ("the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group"), and its share of loss of its associates for the year ended 31 March, 2018 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is in accordance with provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the subsidiary, referred to in paragraphs 5 below, the Statement:



a. includes the results of the following entities:

Subsidiary: IDFC Bharat Limited (Formerly known as Grama Vidiyal Microfinance Limited).

Associate: Millennium City Expressways Private Limited and Feedback Infra Private Limited.

b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31 March, 2018.

5. We did not audit the financial statements of a subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 22,914.98 lacs as at 31 March, 2018, total revenues of Rs. 17,729.99 lacs for the year ended 31 March, 2018 and total profit after tax of Rs. 2,125.20 lacs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

6. The consolidated financial results also includes the Group's share of (loss) after tax of Rs. 7,556.59 lacs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 24 April, 2018

IDFC Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu
CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the year ended March 31, 2018 (Consolidated) (₹ in lakhs)

Sr. No.	Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
1	**Interest Earned (a)+(b)+(c)+(d)**	**909847.23**	**857827.65**
	(a) Interest / discount on advances / bills	489012.00	513231.57
	(b) Income on investments	404130.69	328878.22
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	901.37	5866.49
	(d) Others	15803.17	9851.37
2	**Other Income**	**111987.43**	**101909.83**
3	**TOTAL INCOME (1+2)**	**1021834.66**	**959737.48**
4	Interest Expended	712596.28	651547.29
5	**Operating Expenses (i) + (ii) + (iii) + (iv)**	**179690.66**	**133211.16**
	(i) Employees cost	78638.00	61496.26
	(ii) Depreciation on group's property	16821.36	13593.08
	(iii) Professional fees	15518.56	14018.06
	(iv) Other operating expenses	68712.74	44103.76
6	**TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)**	**892286.94**	**784758.45**
7	**Operating Profit (3–6) (Profit Before Provisions and Contingencies)**	**129547.72**	**174979.03**
8	Provisions (other than tax) and Contingencies (Net)	16030.56	23604.81
9	Exceptional Items	-	-
10	**Profit / (Loss) from Ordinary Activities before tax (7–8–9)**	**113517.16**	**151374.22**
11	Tax Expense	17969.10	45099.79
12	**Net Profit / (Loss) from Ordinary Activities after tax (10–11)**	**95548.06**	**106274.43**
13	Extraordinary Items (Net of tax expense)	-	-
14	**Net Profit / (Loss) for the year (12–13)**	**95548.06**	**106274.43**
15	Share in Profit / (Loss) of Associate (refer note 4)	(7556.59)	(4406.27)
16	**Consolidated Net Profit / (Loss) for the year (14+15)**	**87991.47**	**101868.16**
17	**Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 8)**	**340407.49**	**339900.62**
18	Reserves excluding Revaluation Reserves	1187003.12	1127832.20
19	**Analytical Ratios (refer note 9)**		
	Earnings per share (EPS) for the year (before and after extraordinary items) (refer note 8)		
	- Basic (₹)	2.59	3.00
	- Diluted (₹)	2.58	2.98

Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
1	**Segment Revenue**		
	a Treasury	648590.99	675299.79
	b Wholesale Banking	435858.18	514464.06
	c Retail Banking	95977.44	29344.74
	d Other Banking Business	803.63	115.18
	e Unallocated	4117.58	335.92
	Total Segment Revenue	**1185347.82**	**1219559.69**
	Add/(Less) : Inter Segment Revenue	(163513.16)	(259822.21)
	Income from Operations	**1021834.66**	**959737.48**
2	**Segment Results After Provisions & Before Tax**		
	a Treasury	112374.36	82862.78
	b Wholesale Banking	83475.94	142688.03
	c Retail Banking	(30274.69)	(34412.23)
	d Other Banking Business	(211.36)	115.18
	e Unallocated	(51847.09)	(39879.54)
	Total Profit Before Tax and Earnings from Associates	**113517.16**	**151374.22**
3	**Segment Assets**		
	a Treasury	6917649.15	5796298.61
	b Wholesale Banking	4532599.05	4765873.54
	c Retail Banking	929471.91	396131.28
	d Other Banking Business	709.11	115.18
	e Unallocated	257770.00	248012.55
	Total Segment Assets	**12638199.22**	**11206431.16**
4	**Segment Liabilities**		
	a Treasury	5891842.17	4946375.01
	b Wholesale Banking	4344879.54	4419779.12
	c Retail Banking	861544.52	364971.81
	d Other Banking Business	211.36	-
	e Unallocated	12311.02	7572.40
	Total Segment Liabilities	**11110788.61**	**9738698.34**
5	**Capital Employed (Segment Assets - Segment Liabilities)**	**1527410.61**	**1467732.82**

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India ('the RBI').

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

1

IDFC

Notes:

1 Statement of Assets and Liabilities of the Bank as at March 31, 2018 and March 31, 2017 is given below :

(₹ in lakhs)

Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
CAPITAL AND LIABILITIES		
Capital	340407.49	339900.62
Employees' stock options outstanding	-	107.14
Reserves and surplus	1187003.12	1127725.06
Deposits	4803944.14	4009782.95
Borrowings	5728706.54	5026218.57
Other liabilities and provisions	578137.93	702696.82
TOTAL	**12638199.22**	**11206431.16**
ASSETS		
Cash and balances with Reserve Bank of India	302109.87	299513.65
Balances with banks and money at call and short notice	185571.75	214499.12
Investments	6090441.80	5016411.12
Advances	5216488.81	4940168.32
Fixed Assets	80025.91	79886.95
Other Assets	763561.08	655952.00
TOTAL	**12638199.22**	**11206431.16**

2 The above results were reviewed by the Audit Committee on April 23, 2018 and approved by the Board of Directors on April 24, 2018. There are no qualifications in the auditor's report for the year ended March 31, 2018. The information presented above is extracted from the audited financial statements.

3 The consolidated financial results are prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, Accounting Standard (AS) 21 'Consolidated Financial Statement' and Accounting Standard (AS) 23 'Accounting for investment in associates in Consolidated Financial Statement' specified under Section 133 of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to banks, and the guidelines issued by the RBI.

4 During the year ended March 31, 2018, the Bank sold partial stake in Feedback Infra Private Limited, as associate, which resulted in change in its holding from 24.61% to 17.77%. Accordingly, as per AS 23 on accounting investment in associates, Feedback Infra Private Limited is no longer an associate with effect from March 19, 2018.

5 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. The proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

6 The Board of Directors has proposed a dividend of ₹ 0.75 per share (7.50%) [(Previous Year ₹ 0.75 per share) (7.50%)] for the year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting.

7 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC.80/21/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : http://www.idfcbank.com/regulatory-disclosures.html. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.

8 During the year ended March 31, 2018, the holding company has issued 5068721 equity shares of face value of ₹10 each respectively pursuant to the exercise of options under the Employee Stock Option Scheme.

9 Analytical ratios are part of standalone financial results available on the Bank's website (www.idfcbank.com) and on the Stock Exchange websites (www.nseindia.com and www.bseindia.com).

10 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Date: April 24, 2018
Place: Mumbai

For and on behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO

2

IDFC BANK LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedule No.	As at March 31, 2018 (₹ in Thousands)	As at March 31, 2017 (₹ in Thousands)
CAPITAL AND LIABILITIES			
Capital	1	**34,040,749**	33,990,062
Employees' stock options outstanding	1a	**-**	10,714
Reserves and surplus	2	**118,700,312**	112,772,506
Deposits	3	**480,394,414**	400,978,295
Borrowings	4	**572,870,654**	502,621,857
Other liabilities and provisions	5	**57,813,793**	70,269,682
TOTAL		**1,263,819,922**	1,120,643,116
ASSETS			
Cash and balances with Reserve Bank of India	6	**30,210,987**	29,951,365
Balances with banks and money at call and short notice	7	**18,557,175**	21,449,912
Investments	8	**609,044,180**	501,641,112
Advances	9	**521,648,881**	494,016,832
Fixed assets	10	**8,002,591**	7,988,695
Other assets	11	**76,356,108**	65,595,200
TOTAL		**1,263,819,922**	1,120,643,116
Contingent liabilities	12	**2,156,950,918**	2,037,000,515
Bills for collection		**-**	-
Significant accounting policies and notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year Ended March 31, 2018 (₹ in Thousands)	Year Ended March 31, 2017 (₹ in Thousands)
I	**INCOME**			
	Interest earned	13	**90,984,723**	85,782,765
	Other income	14	**11,198,743**	10,190,983
	TOTAL		**102,183,466**	95,973,748
II	**EXPENDITURE**			
	Interest expended	15	**71,259,628**	65,154,729
	Operating expenses	16	**17,969,066**	13,321,116
	Provisions and contingencies	18.04	**3,399,966**	6,870,460
	TOTAL		**92,628,660**	85,346,305
	Net Profit/(Loss) before Share in Profit / (Loss) in associates		**9,554,806**	10,627,443
	Add : Share in profits / (Loss) of associates		**(755,659)**	(440,627)
III	**CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP**		**8,799,147**	10,186,816
	Balance in profit and loss account brought forward from previous year		**16,458,662**	12,129,256
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**25,257,809**	22,316,072
V	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.05	**2,150,000**	2,550,000
	Transfer (from)/to investment reserve	18.05	**(5,500)**	5,500
	Transfer to capital reserve	18.05	**2,020,000**	55,000
	Transfer to special reserve	18.05	**750,000**	3,250,000
	Proposed dividend (includes tax on dividend)	18.13	**3,070,472**	263
	(Creation) / Utilization of reserves by associate		**508**	(3,353)
	Balance in profit and loss account carried forward		**17,272,328**	16,458,662
	TOTAL		**25,257,809**	22,316,072
VI	**EARNINGS PER EQUITY SHARE**	18.07		
	(Face value ₹ 10 per share)			
	Basic (₹)		**2.59**	3.00
	Diluted (₹)		**2.58**	2.98

Significant accounting policies and notes to accounts 17 & 18

The schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date : April 24, 2018
Place : Mumbai

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

IDFC BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
Cash flow from operating activities			
Net profit / (loss) before taxes		**10,596,057**	14,696,794
Adjustments for :			
Depreciation on fixed assets	16 (V)	**1,682,136**	1,359,308
Provision for depreciation in value of investments	18.04	**(1,713,901)**	1,102,403
Amortisation of premium on held to maturity investments		**1,135,794**	293,121
Write back of provision for non performing advances	18.04	**(5,796,120)**	(10,623,023)
Additional / (write back) of specific provisions	18.04	**(1,085,200)**	220,565
Provision on unhedged foreign currency exposure	18.04	**53,000**	12,094
Loss on sale of fixed assets (net)	14 (IV)	**10,450**	53,383
Write back of provision for restructured assets	18.04	**(400)**	(5,175,600)
Bad debts including technical / prudential write off	18.04	**9,978,783**	18,405
Provision for standard assets	18.04	**42,824**	(309,240)
Loss on sale of loans to ARC	18.04	**-**	17,111,999
Other provisions and contingencies	18.04	**123,971**	2,807
Share in loss of associates		**755,659**	440,627
Adjustments for :			
(Increase) / decrease in investments (excluding held to maturity investment and investment in subsidiary)		**(99,046,559)**	(160,941,192)
(Increase) / decrease in advances		**(30,729,113)**	(38,110,458)
Increase / (decrease) in deposits		**79,416,118**	318,787,842
(Increase) / decrease in other assets		**(9,197,132)**	(24,152,616)
Increase / (decrease) in other liabilities and provisions		**(12,551,714)**	28,935,724
Direct taxes paid (net of refunds)		**(3,484,654)**	(2,441,485)
Net cash flow used in operating activities (A)		**(59,810,001)**	141,281,458
Cash flow from investing activities			
Purchase of fixed assets		**(1,738,108)**	(2,696,851)
Proceeds from sale of fixed assets		**31,625**	24,004
(Increase) / decrease in held to maturity investments		**(8,534,570)**	(45,246,618)
(Increase) / decrease in investment in subsidiary		**-**	(1,259,544)
Net cash used in investing activities (B)		**(10,241,053)**	(49,179,009)
Cash flow from financing activities			
Increase / (decrease) in borrowings		**70,248,797**	(68,976,450)
Proceeds from issue of share capital		**239,614**	257,853
Payment of dividend (including dividend distribution tax)		**(3,070,472)**	(1,021,644)
Net cash generated from financing activities (C)		**67,417,939**	(69,740,241)
Net increase in cash and cash equivalents (A+B+C)		**(2,633,115)**	22,362,208
Cash and cash equivalents at the beginning of the year		**51,401,277**	29,039,069
Cash and cash equivalents at the end of the year		**48,768,162**	51,401,277
Represented by :			
Cash and Balances with Reserve Bank of India	6	**30,210,987**	29,951,365
Balances with Banks and Money at Call and Short Notice	7	**18,557,175**	21,449,912
Cash and cash equivalents at the end of the year		**48,768,162**	51,401,277

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance

Date : April 24, 2018
Place : Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report on Annual Standalone Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying annual standalone financial results of Capital First Limited ('the Company') for the year ended 31 March 2018 ('the Financial Results'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ('the SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date audited figures upto the end of the third quarter of the relevant financial year.

These Financial Results have been prepared on the basis of the standalone annual financial statements and audited quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such standalone annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the fact that the figures for the quarter and year ended 31 March 2017 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion on the Annual Standalone Financial Results for the year ended 31 March 2017 dated 10 May 2017.

Independent Auditor's Report on Annual Standalone Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

i. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii. give a true and fair view of the standalone net profit and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
4 May 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013
email: customer.care@capitalfirst.com; website: www.capitalfirst.com

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited)	31.12.2017 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from operations	102,655.16	93,864.34	72,728.46	359,296.21	270,076.02
2	Other income	921.96	472.65	694.71	3,528.96	2,609.46
3	**Total Revenue**	**103,577.12**	**94,336.99**	**73,423.17**	**362,825.17**	**272,685.48**
4	**Expenses**					
a	Employee benefits expense	8,769.69	8,632.96	5,526.27	31,621.52	23,319.39
b	Finance costs	36,073.05	32,792.97	27,140.72	129,406.17	112,791.21
c	Depreciation and amortisation expense	912.11	641.05	518.40	2,789.12	1,663.32
d	Other expenses	44,825.62	39,669.27	29,657.66	153,551.58	101,683.03
	Total Expenses	**90,580.47**	**81,736.25**	**62,843.05**	**317,368.39**	**239,456.95**
5	**Profit from Ordinary activities before Exceptional Items**	**12,996.65**	**12,600.74**	**10,580.12**	**45,456.78**	**33,228.53**
6	Exceptional Items (Refer note no.j)	(2,936.75)	-	-	(2,936.75)	-
7	**Profit from Ordinary activities before tax**	**15,933.40**	**12,600.74**	**10,580.12**	**48,393.53**	**33,228.53**
8	**Tax expense**					
	-Current tax	4,288.23	4,176.00	3,997.17	17,572.62	13,040.04
	-Deferred tax	195.22	294.78	(319.88)	(1,846.12)	(1,476.71)
	-Tax for earlier years	-	-	(21.00)	(33.98)	(21.00)
	Tax expense	**4,483.45**	**4,470.78**	**3,656.29**	**15,692.52**	**11,542.33**
9	**Profit after tax**	**11,449.95**	**8,129.96**	**6,923.83**	**32,701.01**	**21,686.20**
10	Earnings per share (EPS) *					
	-Basic (Rs.)	11.57	8.24	7.11	33.29	23.20
	-Diluted (Rs.)	11.11	7.79	6.68	31.96	21.76
	**EPS for the quarters/nine months is not annualised*					

Notes

a. The standalone audited financial results of Capital First Limited (the 'Company' or 'CFL') for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on May 04, 2018.

b. On January 13, 2018, the Board of Directors of the Company approved the merger of the Company and its wholly owned subsidiaries i.e., Capital First Home Finance Limited and Capital First Securities Limited, with IDFC Bank Limited in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the National Housing Bank, the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), stock exchanges, the respective shareholders and creditors of each entity and the National Company Law Tribunal (NCLT). The appointed date for the scheme is April 01, 2018 or such other mutually agreed date. The effective date is the mutually agreed date, being a date post the last of the dates on which all condition precedents and matters, as set out in the scheme, occur or have been fulfilled or waived in accordance with the scheme. The proposed transaction however does not have any impact on the current financial results or the financial position of the Company as at March 31, 2018.

c. Pursuant to circular no RBI/2017-18/129- DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018 issued by the Reserve Bank of India (RBI) which permits regulated entities to defer the down grade of an account of micro,small and medium enterprise under the Micro,Small and Medium Enterprises (MSED) Act,2006, that was standard as on January 31, 2018, the Company has not opted for 180 days relaxation entended by RBI for recognition of loan as Non-Performing Assets ('NPA').

d. The Company has accounted for provision on standard assets as per the Reserve Bank of India ('RBI') notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years commencing from financial year ending March 31, 2016. As a result of which provision for standard assets as at March 31, 2018 is higher by Rs. 1073.54 lakhs.

e. During the quarter ended March 31, 2018, 75,160 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.

f. The Secured Listed Non-Convertible Debt securities of the Company as on March 31, 2018 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

g. RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending March 31, 2016. This has resulted in increase in gross non-performing assets by Rs. 8,541.21 lakhs. However, there is no significant impact of this change on provision for the quarter and year ended March 31, 2018.

h. The primary business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

i. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs.2.80 per share (28%)

j. In earlier years, the Board of Directors decided to discontinue broking business carried on through its subsidiary Capital First Securities Limited (CFSL). At the time of discontinuance of broking business of CFSL, the Company was carrying impairtment provision of Rs.5,841.73 lakhs . Thereafter CFSL started other business activity which has resulted in consistent income and profitability.The management believes that the provision for diminution needs to be reversed to the extent of CFSL's net worth. Accordingly Rs.2,936.75 lakhs has been reversed. However, this has no impact on the consolidated financial statements of the Company.

k. The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the year to date audited figures for the nine months period ended December 31, 2017.

l. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year's classifications.

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN : 00082596

Place : Mumbai

Date : May 04, 2018

CAPITAL FIRST LIMITED
(CIN no. L29120MH2005PLC156795)
Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013

STANDALONE STATEMENT OF AUDITED ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	9,896.52	9,742.21
(b) Reserves and surplus	245,100.22	213,979.17
Sub-Total shareholders' funds	**254,996.74**	**223,721.38**
2 Share application money pending allotment	4.13	-
3 Non - current liabilities		
(a) Long term borrowings	1,353,626.94	860,458.72
(b) Other long term liabilities	10,182.98	7,145.03
(c) Long term provisions	17,103.10	11,430.30
Sub-Total non-current liabilities	**1,380,913.02**	**879,034.05**
4 Current Liabilities		
(a) Short term borrowings	370,223.16	250,569.06
(b) Trade payables	31,056.13	17,508.58
(c) Other current liabilities	340,933.61	308,384.60
(d) Short term provisions	20,035.25	14,217.67
Sub-Total current liabilities	**762,248.15**	**590,679.91**
TOTAL-EQUITY AND LIABILITIES	**2,398,162.04**	**1,693,435.34**
B ASSETS		
1 Non - current assets		
(a) Fixed assets	9,528.30	6,463.96
(b) Non - current investments	54,705.83	29,532.05
(c) Deferred tax assets (Net)	8,758.73	6,912.61
(d) Long term loans and advances	1,358,666.03	880,715.76
(e) Other non current assets	29,155.87	13,300.44
Sub-Total non-current assets	**1,460,814.76**	**936,924.82**
2 Current Assets		
(a) Current investments	754.33	2,440.24
(b) Trade receivables	6,721.68	6,153.18
(c) Cash and cash equivalents	117,938.73	152,049.14
(d) Short term loans and advances	778,075.58	564,216.82
(e) Other current assets	33,856.96	31,651.14
Sub-Total current assets	**937,347.28**	**756,510.52**
TOTAL ASSETS	**2,398,162.04**	**1,693,435.34**





CAPITAL FIRST LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Rs. in lakhs

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,896.52	9,742.21
Reserves and surplus	4	245,100.22	213,979.17
		254,996.74	223,721.38
Share Application Money Pending Allotment	3	4.13	-
Non - Current Liabilities			
Long term borrowings	5	1,353,626.94	860,458.72
Other long term liabilities	6	10,182.98	7,145.03
Long term provisions	7	17,103.10	11,430.30
		1,380,913.02	878,034.05
Current Liabilities			
Short term borrowings	8	370,223.16	250,569.08
Trade payables	9		
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		31,056.13	17,508.56
Other current liabilities	10	340,933.61	308,384.60
Short term provisions	11	20,035.25	14,217.67
		762,248.15	590,679.91
TOTAL		2,398,162.04	1,693,435.34
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	12	6,123.47	4,764.63
- Intangible assets	12	2,164.64	1,699.33
- Intangible assets under development		1,240.19	-
		9,528.30	6,463.96
Non - current investments	13	54,705.83	29,532.05
Deferred tax assets (Net)	14	8,758.73	6,912.61
Long term loans and advances	15	1,358,666.03	880,715.78
Other non current assets	16	29,155.87	13,300.44
		1,460,814.76	936,924.82
Current Assets			
Current investments	17	754.33	2,440.24
Trade receivables	18	6,721.69	6,153.18
Cash and bank balances	19	117,938.73	152,049.14
Short term loans and advances	20	778,075.58	564,216.82
Other current assets	21	33,856.96	31,651.14
		937,347.28	756,510.52
TOTAL		2,398,162.04	1,693,435.34

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sankhecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. In lakhs

Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	359,296.21	270,076.03
Other income	23	3,528.96	2,609.45
Total Revenue		362,825.17	272,685.48
Expenses			
Employee benefits expense	24	31,621.52	23,319.39
Finance costs	25	129,405.17	112,791.21
Depreciation and amortisation expense	26	2,789.12	1,663.32
Other expenses	27	153,551.58	101,683.03
Total Expenses		317,368.39	239,456.95
Profit before exceptional items and tax		45,456.78	33,228.53
Exceptional items	28	(2,936.75)	-
Profit before tax		48,393.53	33,228.53
Tax expense:			
- Current tax		17,572.62	13,040.04
- Deferred tax credit		(1,846.12)	(1,476.71)
- Tax for earlier years		(33.98)	(21.00)
		15,692.52	11,542.33
Profit after tax		32,701.01	21,686.20
Earning per equity share:	29		
[Face value - Rs.10/- per share]			
- Basic		33.29	23.20
- Diluted		31.96	21.76

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head-Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	48,393.53	33,228.63
Adjustments for :		
Depreciation/ amortisation	2,789.12	1,663.32
Provision for doubtful loans and advances	4,743.55	3,326.36
Provision for diminution in value of investments	(2,936.75)	(183.59)
Contingent provisions against standard assets	3,476.07	1,464.22
Bad loans and trade receivables written off	53,619.38	39,482.48
Provision for employee benefits	429.82	148.98
Profit on sale of investments (net)	(3,425.79)	(1,503.16)
Dividend income	(43.84)	(38.93)
Loss on sale of fixed assets	9.89	123.39
Interest on investments	(212.23)	-
	58,449.22	44,483.05
Operating Profit Before Working Capital Changes	106,842.85	77,711.58
Adjustment for changes in working capital:		
(Increase)/ Decrease in trade receivables	(588.50)	(3,485.48)
(Increase)/ Decrease in loans and advances	(746,208.92)	(271,885.92)
(Increase)/Decrease in other assets	(17,640.62)	8,092.48
(Increase)/Decrease in trade payables and other liabilities	42,790.71	30,998.58
Cash used in operations	(615,014.48)	(158,566.78)
Direct taxes paid (net of refund)	(12,503.58)	(4,573.92)
Net Cash (used in) from Operating Activities	(627,518.05)	(163,140.71)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets and capital work in progress	(6,239.97)	(5,410.19)
Sale proceeds from fixed assets	50.65	10.50
Purchase of investments	(4,316,094.49)	(2,682,500.24)
Sale proceeds from investments	4,299,181.39	2,677,630.75
Dividend income	43.84	38.93
Net Cash (used in) from Investing Activities	(23,058.58)	(10,230.25)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	154.32	818.43
Proceeds from securities premium on issue of equity share capital	3,159.59	36,456.05
Proceeds from share application money pending allotment	4.13	(14.98)
Payment of securities issue expenses	(1,681.53)	(999.09)
Payment of dividend	(2,540.65)	(2,159.91)
Payment of dividend tax	(517.25)	(445.61)
Proceeds from long term borrowings	788,335.00	550,293.00
Repayment of long term borrowings	(290,884.70)	(449,150.25)
Proceeds from short term borrowings	2,712,508.38	453,791.32
Repayment of short term borrowings	(2,592,854.28)	(358,466.37)
Net Cash generated from Financing Activities	616,682.89	229,892.41
Net (Decreased)/Increase in Cash and Cash Equivalents during the period	(33,893.76)	56,519.45
Cash and Cash equivalents at beginning of the year (Refer note 3 below)	150,845.66	94,326.21
Cash and Cash equivalents at the end of the year	116,951.91	150,845.66

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash in hand	2,287.80	1,398.90
Cheques on hand	-	195.22
Balance with banks:		
- In current accounts (Refer note 3 below)	114,664.11	149,251.54
Total	116,951.91	150,845.66

Notes:

1 The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

3 The balances in unclaimed dividend accounts is not available for use by the Company and hence the same have been excluded.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sankhecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report on Annual Consolidated Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying annual consolidated financial results of Capital First Limited ('the Company') for the year ended 31 March 2018 ('the Financial Results'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ('the SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date audited figures upto the end of the third quarter of the relevant financial year.

These Financial Results have been prepared on the basis of the consolidated annual financial statements and audited quarterly consolidated financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the fact that the figures for the quarter and year ended 31 March 2017 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion on the Annual Consolidated Financial Results for the year ended 31 March 2017 dated 10 May 2017.

Independent Auditor's Report on Annual Consolidated Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

i. include the annual financial results of the following entities:

Name of the entity	Relationship
Capital First Limited	Holding Company
Capital First Home Finance Limited	Subsidiary
Capital First Securities Limited	Subsidiary
Capital First Commodities Limited	Subsidiary

ii. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii. give a true and fair view of the consolidated net profit and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
4 May 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013
email: customer.care@capitalfirst.com; website: www.capitalfirst.com

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

Sr	Particulars	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited) (refer note 'k')	31.12.2017 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from operations	109,396.31	98,763.74	74,932.06	377,062.05	277,287.07
2	Other income	1,063.43	825.73	748.19	4,142.52	2,799.36
3	**Total Revenue**	**110,459.74**	**99,589.47**	**75,680.25**	**381,204.57**	**280,086.43**
4	**Expenses**					
a	Employee benefits expense	9,526.62	9,189.14	5,966.29	33,476.66	23,939.35
b	Finance costs	39,259.49	35,661.79	28,025.59	138,244.23	116,060.08
c	Depreciation and amortisation expense	912.11	641.05	518.40	2,789.12	1,663.32
d	Other expenses	46,478.27	40,706.51	30,348.25	157,297.99	102,675.25
	Total Expenses	**96,176.49**	**86,198.49**	**64,858.53**	**331,808.00**	**244,338.00**
5	**Profit before tax**	**14,283.25**	**13,390.98**	**10,821.72**	**49,396.57**	**35,748.43**
6	Tax expense					
	- Current tax	4,537.35	4,586.68	3,888.70	18,750.77	13,518.78
	- Minimum Alternate Tax (MAT)	196.16	90.54	-	467.10	-
	- Deferred tax credit	1.55	(7.77)	(162.61)	(2,624.28)	(1,763.31)
	- Tax for earlier years	(0.01)	-	(12.48)	(32.29)	(12.48)
	Tax expense	**4,735.05**	**4,669.45**	**3,713.61**	**16,561.30**	**11,742.99**
7	**Profit for the year from Continuing Operations**	**9,548.20**	**8,721.53**	**7,108.11**	**32,835.27**	**24,005.44**
8	Profit/(loss) before tax from discontinuing operations	(1.95)	(1.31)	2.20	(7.36)	(4.38)
9	Tax expense/ (credit) of discontinuing operations	21.09	23.86	27.23	83.44	108.95
10	Profit/(loss) from discontinuing operations (after tax)	(23.04)	(25.17)	(25.03)	(90.80)	(113.33)
11	**Profit for the year**	**9,525.16**	**8,696.36**	**7,083.08**	**32,744.47**	**23,892.11**
12	Earnings per share *					
	Basic EPS	9.63	8.81	7.27	33.34	25.56
	Diluted EPS	9.24	8.83	6.84	32.00	23.97
	EPS for the quarter is not annualised					

Notes

a The audited consolidated financial results relate to Capital First Limited (the "Company") and its subsidiaries (together referred as 'Group'). The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in Accounting Standard (AS) - 21 'Consolidated Financial Statements' notified under section 133 of the Companies Act 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014' and Companies (Accounting Standard) Amendment Rules, 2016. The financial results of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

b The consolidated financial results for the quarter/year ended March 31, 2018, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on May 4, 2018.

c On January 13, 2018, the Board of Directors of the Company approved the merger of the Company and its wholly owned subsidiaries i.e., Capital First Home Finance Limited and Capital First Securities Limited, with IDFC Bank Limited in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the National Housing Bank, the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), stock exchanges, the respective shareholders and creditors of each entity and the National Company Law Tribunal (NCLT). The appointed date for the scheme is April 01, 2018 or such other mutually agreed date. The effective date is the mutually agreed date, being a date post the last of the dates on which all condition precedents and matters, as set out in the scheme, occur or have been fulfilled or waived in accordance with the scheme. The proposed transaction however does not have any impact on the current financial results or the financial position of the Company as at March 31, 2018.

d. Pursuant to circular no RBI/2017-18/129- DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018 issued by the Reserve Bank of India (RBI) which permits regulated entities to defer the down grade of an account of micro,small and medium enterprise under the Micro,Small and Medium Enterprises (MSED) Act,2006, that was standard as on January 31, 2018, the Company has not opted for 180 days relaxation extended by RBI for recognition of loan as Non-Performing Assets ('NPA').

e. The Company has accounted for provision on standard assets as per the Reserve Bank of India ('RBI') notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years commencing from financial year ending March 31, 2016. As a result of which provision for standard assets as at March 31, 2018 is higher by Rs. 1073.54 lakhs.

f. RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending March 31, 2016. This has resulted in increase in gross non-performing assets by Rs. 8,541.21 lakhs. However, there is no significant impact of this change on provision for the quarter and year ended March 31, 2018.





g. The primary business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

h. During the quarter ended March 31, 2018, 75,160 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.

i. The Secured Listed Non-Convertible Debt securities of the Company as on March 31, 2018 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

j. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs. 2.80 per share (28%).

k. The figures for the quarter ended Mar 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the year to date audited figures for the nine months period ended December 31, 2017.

l. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year's classification.

m. The Standalone Financial Results are available on the Company's website viz. www.capitalfirst.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

(Rs. In Lakhs)

STANDALONE FINANCIALS SUMMARY					
	QUARTER ENDED			YEAR ENDED	
Particulars	**31.03.2018 (Audited)**	**31.12.2017 (Audited)**	**31.03.2017 (Audited)**	**31.03.2018 (Audited)**	**31.03.2017 (Audited)**
Revenues (including other income)	103,577.12	94,336.99	73,423.17	362,825.17	272,685.48
Profit before tax	15,933.40	12,600.74	10,580.12	48,393.53	33,228.53
Profit after tax	11,449.95	8,129.96	6,923.83	32,701.01	21,686.20

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Place : Mumbai
Date : May 4, 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)
Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (W), Mumbai - 400 013

STATEMENT OF AUDITED ASSETS AND LIABILITIES (CONSOLIDATED)

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	9,896.52	9,742.21
(b) Reserves and surplus	251,855.77	220,641.88
Sub-total shareholders' funds	**261,752.29**	**230,384.09**
2 Share application money pending allotment	4.13	-
3 Non - Current Liabilities		
(a) Long term borrowings	1,489,193.19	894,448.72
(b) Other long term liabilities	13,107.43	8,017.59
(c) Long term provisions	19,642.38	11,907.00
Sub-total non-current liabilities	**1,521,943.00**	**914,373.31**
4 Current Liabilities		
(a) Short term borrowings	404,490.80	259,900.82
(b) Trade payables	33,818.10	18,052.17
(c) Other current liabilities	374,473.47	328,433.66
(d) Short term provisions	20,275.06	14,373.39
Sub-total current liabilities	**833,057.43**	**620,760.04**
TOTAL - EQUITY & LIABILITIES	**2,616,756.85**	**1,765,517.44**
B ASSETS		
1 Non-Current Assets		
(a) Fixed assets	9,547.77	6,463.96
(b) Non - current investments	28,737.03	21,500.00
(c) Deferred tax assets (Net)	9,847.91	7,223.63
(d) Long term loans and advances	1,555,493.56	940,877.34
(e) Other non current assets	30,736.33	13,845.49
Sub-total non-current assets	**1,634,362.60**	**989,910.42**
2 Current Assets		
(a) Current investments	4,454.33	4,365.24
(b) Trade receivables	6,736.95	6,199.52
(c) Cash and bank balances	142,634.93	159,362.81
(d) Short term loans and advances	792,169.02	573,301.54
(e) Other current assets	36,399.02	32,377.91
Sub-total current assets	**982,394.25**	**775,607.02**
TOTAL - ASSETS	**2,616,756.85**	**1,765,517.44**

CAPITAL FIRST LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Rs. in Lakhs

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,888.52	9,742.21
Reserves and surplus	4	251,855.77	220,641.88
		261,752.29	230,384.09
Share application money pending allotment		4.13	-
Non - Current Liabilities			
Long term borrowings	5	1,489,193.19	894,448.72
Other long term liabilities	6	13,107.43	8,017.59
Long term provisions	7	19,642.38	11,906.99
		1,521,943.00	914,373.30
Current Liabilities			
Short term borrowings	8	404,490.80	259,900.62
Trade payables	9		
(I) Micro and Small Enterprises		-	-
(II) Other than Micro and Small Enterprises		33,618.10	18,052.17
Other current liabilities	10	374,473.47	328,433.66
Short term provisions	11	20,275.06	14,373.40
		833,057.43	620,760.05
TOTAL		2,616,756.85	1,765,517.44
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	12	6,142.94	4,764.63
- Intangible assets	12	2,164.64	1,699.33
- Intangible assets under development		1,240.19	-
		9,547.77	6,463.96
Non - current investments	13	28,737.03	21,500.00
Deferred tax assets (Net)	14	9,647.91	7,223.63
Long term loans and advances	15	1,555,493.56	940,877.34
Other non current assets	16	30,736.33	13,845.49
		1,634,362.60	989,910.42
Current Assets			
Current investments	17	4,454.33	4,365.24
Trade receivables	18	6,736.95	6,199.51
Cash and bank balances	19	142,634.93	159,362.81
Short term loans and advances	20	792,169.02	573,301.54
Other current assets	21	36,399.02	32,377.92
		982,394.25	775,607.02
TOTAL		2,616,756.85	1,765,517.44

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director
DIN No. 00082596

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Place: Mumbai
Date : May 4, 2018

Hemang Raja
Director
DIN No. 00040769

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	377,062.05	277,287.07
Other income	23	4,142.52	2,799.36
Total revenue		381,204.57	280,086.43
Expenses			
Employee benefits expense	24	33,476.66	23,939.35
Finance costs	25	138,244.23	116,050.08
Depreciation and amortisation expense	26	2,789.12	1,663.32
Other expenses	27	157,297.99	102,675.25
Total Expenses		331,808.00	244,338.00
Profit before tax		49,396.57	35,748.43
Tax expense:			
- Current tax		18,750.77	13,518.78
- Minimum Alternate Tax (MAT)		467.10	-
- Deferred tax credit		(2,624.28)	(1,763.31)
- Tax for earlier years		(32.29)	(12.48)
		16,561.30	11,742.99
Profit for the year from continuing operations	(A)	32,835.27	24,005.44
Profit/(loss) before tax from discontinuing operations		(7.36)	(4.38)
Tax expense of discontinuing operations		83.44	108.95
Profit/(loss) from discontinuing operations (after tax)	(B)	(90.80)	(113.33)
Profit for the year	(A)+(B)	32,744.47	23,892.11
Earning per equity share:	28		
- Basic (Face value of Rs. 10/- each)		33.34	25.56
- Diluted (Face value of Rs. 10/- each)		32.00	23.97

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V.Vaidyanathan
Chairman &
Managing Director
DIN No. 00082596

Hemang Raja
Director
DIN No. 00040759

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 4, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		49,396.57	35,748.43
Profit before tax from discontinuing operations		(7.36)	(4.38)
		49,389.21	35,744.05
Adjustments for :			
Depreciation/ amortisation on continuing operation		2,759.12	1,663.32
Provision for doubtful loans and advances		6,281.60	3,623.15
Provision for diminution in value of investments		-	(183.59)
Provision for standard assets		4,034.23	1,547.79
Bad loans and trade receivables written off		53,664.57	40,307.66
Provision for employee benefits		482.64	160.64
Dividend income		(43.64)	(38.93)
Profit on sale of investments (net)		(4,022.32)	(1,668.81)
Loss on sale of fixed assets		9.89	123.39
Excess provision written back		-	(5.71)
		63,366.19	45,518.93
Operating Profit Before Working Capital Changes		112,755.40	81,262.98
Adjustment for changes in working capital:			
Increase in Trade Receivables		(537.44)	(3,531.75)
Increase in Loans and Advances		(686,094.78)	(293,876.66)
Increase in Other Assets		(20,691.32)	7,338.84
Increase in Trade payables and other liabilities		45,800.16	32,286.94
Cash used in operations		(750,737.96)	(176,518.65)
Direct taxes paid (net of refund)		(14,272.31)	(5,233.61)
Net Cash (used in) Operating Activities	(A)	(765,010.27)	(181,752.26)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(6,259.44)	(5,410.19)
Sale proceeds from fixed assets		80.65	10.50
Sale proceeds from investments		4,604,285.68	2,727,000.88
Purchase of investments		(4,607,589.49)	(2,732,650.73)
Dividend income		43.64	38.93
Net Cash (used in) Investing Activities	(B)	(9,468.75)	(11,010.61)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Share Capital		154.32	618.43
Proceeds from Share Application Money Pending Allotment		4.13	(14.96)
Proceeds from Securities Premium on issue of Equity Share Capital		3,169.69	38,456.05
Payment of securities issue expenses		(1,642.16)	(918.55)
Payment of dividend		(2,540.86)	(2,189.91)
Payment of dividend tax		(517.28)	(445.81)
Proceeds from long term borrowings		934,835.00	581,093.00
Repayment of long term borrowings		(320,085.03)	(467,942.75)
Proceeds from short term borrowings		2,971,194.97	523,450.05
Repayment of short term borrowings		(2,826,605.00)	(421,279.21)
Net Cash generated from Financing Activities	(C)	757,967.80	248,826.34
Net (Decreased/ Increase in Cash and Cash Equivalents during the year	(A+B+C)	(16,511.22)	56,063.47
Cash and Cash equivalents at beginning of the year (Refer note 3 below)		168,159.33	102,095.86
Cash and Cash equivalents at the end of the year		141,648.11	158,159.33

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011 India.
Chartered Accountants

Capital First Limited
Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. In Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash in Hand	2,401.66	1,463.90
Cheques on hand	-	195.23
Balance with Banks		
- in current account	139,246.55	156,480.20
Total	141,648.11	158,159.33

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

3 The balances in unclaimed dividend accounts is not available for use by the Company and hence the same have been excluded.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director
DIN No. 00082595

Hunang Raja
Director
DIN No. 00040759

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 4, 2018

SB

Capital First Limited Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Capital First Home Finance Limited

Report on the financial statements

We have audited the accompanying financial statements of Capital First Home Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report *(Continued)*

Capital First Home Finance Limited

Auditor's responsibility *(Continued)*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

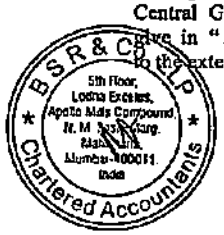
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 9 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



Independent Auditor's Report *(Continued)*

Capital First Home Finance Limited

Report on other legal and regulatory requirements *(Continued)*

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 33 to the financial statements;

   iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report - 31 March 2018

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) According to the information and explanation given to us, the Company does not have any fixed assets apart from Land, Accordingly, paragraph 3(i)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us, the Company does not have any fixed assets apart from Land, Accordingly, paragraph 3(i)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is in the business of housing finance and consequently, does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, good and services tax, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, employee state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, good and services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.



Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of any disputes.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	88.29	AY 2006-07	CIT(A)
Income Tax Act, 1961	Income Tax	1.40	AY 2012-13	CIT(A)

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in the repayment of outstanding dues to financial institution, bank, government or debenture holder during the year.

ix. According to the information and explanations given to us and based on our examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised. During the year, there were no money raised by way of initial public offer or further public offer.

x. According to the information and explanations give to us and based on our examination of the records of the Company no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable.



Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

Capital First Home Finance Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Capital First Home Finance Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Capital First Home Finance Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018 *(Continued)*

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

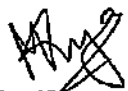
Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

CAPITAL FIRST HOME FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	1,377,330,790	663,045,150
Reserves and surplus	4	642,359,050	251,549,782
		2,019,689,840	914,594,932
Non-current Liabilities			
Deferred tax liability (Net)	5	-	3,295,831
Long term borrowings	6	14,056,625,010	3,744,500,000
Other long term liabilities	7	276,179,507	70,971,472
Long term provisions	8	260,585,853	54,545,786
		14,593,390,370	3,873,313,089
Current Liabilities			
Short term borrowings	9	3,426,764,441	933,176,248
Trade payables	10		
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		293,956,676	92,398,022
Other current liabilities	11	3,267,277,191	1,292,857,123
Short term provisions	12	14,132,488	7,249,690
		7,002,130,796	2,285,181,083
TOTAL		23,615,211,006	7,073,089,104
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	13	1,947,384	-
		1,947,384	-
Deferred tax asset (net)	5	68,874,556	-
Long term loans and advances	14	19,668,610,255	6,005,019,288
Other non current assets	15	210,647,300	92,007,660
		19,949,779,497	6,097,026,948
Current Assets			
Cash and bank balances	16	2,463,515,177	727,898,618
Short term loans and advances	17	947,708,839	175,786,993
Other current assets	18	254,207,493	72,676,545
		3,665,431,509	976,062,156
TOTAL		23,615,211,006	7,073,089,104

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	19	1,662,794,163	708,309,080
Other income	20	40,845,770	3,836,944
Total Revenue		1,723,639,933	712,146,024
Expenses			
Employee benefits expense	21	167,007,279	46,900,318
Finance costs	22	955,744,959	404,812,898
Other expenses	23	443,761,126	163,325,524
Total Expenses		1,566,513,364	615,038,740
Profit before tax		157,126,569	97,107,284
Tax expense:			
- Current tax		117,814,457	26,132,443
- Deferred tax		(71,870,389)	5,736,130
- Tax for earlier years		169,380	852,245
		46,313,448	32,722,818
Profit after tax		110,813,121	64,384,466
Earnings per equity share:	24		
- Basic		0.97	0.97
- Diluted		0.97	0.97

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Valdyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01736973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

CAPITAL FIRST HOME FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from Operating Activities		
Profit before tax	157,126,569	97,107,284
Adjustments for:		
Provision for doubtful loans and advances	152,304,914	29,679,177
Provision for standard assets	55,615,979	8,356,817
Provision for employee benefits	5,246,535	-
Bad loans and trade receivables written off (net of recovery)	24,516,107	82,521,444
Profit on sale of investments	(40,365,870)	(3,515,691)
Operating profit before Working Capital changes	354,646,234	214,148,831
Adjustment for changes in working capital:		
(Decrease)/ Increase in Trade Payables	241,558,654	20,110,029
(Decrease)/ Increase in Long term Liabilities	205,206,035	31,671,411
(Decrease)/ Increase in Short term Liabilities	138,378,395	48,965,451
(Increase)/ Decrease in Short term Loans & Advances	(771,921,845)	39,653,293
(Increase)/ Decrease in Long term Loans & Advances	(13,683,893,251)	(2,192,549,197)
(Increase)/ Decrease in Short term other assets	(181,530,947)	(21,609,390)
(Increase)/ Decrease in Long term other assets	(118,809,640)	(57,943,392)
Cash used in from Operations	(13,816,394,365)	(1,917,650,964)
Less: Direct taxes paid	(122,644,220)	(35,507,178)
Net Cash used in Operating Activities	(13,939,038,585)	(1,953,158,143)
Cash flow from Investing Activities		
Proceeds from sale of current investments	28,819,865,870	4,399,215,891
Purchase of current investments	(28,779,500,000)	(4,395,700,000)
Purchase of Fixed asset	(1,947,384)	-
Net Cash generated from Investing Activities	38,418,486	3,515,891
Cash flow from Financing Activities		
Proceeds from issue of equity share capital	714,285,640	-
Proceeds from securities premium on issue of equity share capital	285,714,256	-
Payment of securities issue expenses	(5,718,109)	-
Proceeds from Long term borrowings	14,550,000,911	2,315,000,000
Proceeds from Short term borrowings	25,888,559,278	8,965,873,317
Proceeds from ICD	150,000,000	765,000,000
Repayment of Long term borrowings	(2,401,333,333)	(758,750,000)
Repayment of Short term borrowings	(23,375,071,083)	(6,605,684,672)
Repayment of ICD	(150,000,000)	(765,000,000)
Net Cash generated from Financing Activities	15,636,538,658	1,906,438,645
Net Increase / (decrease) in Cash and Cash Equivalents during the year	1,735,916,559	(43,203,607)
Cash and Cash Equivalents at the beginning of the year	727,598,618	770,802,225
Cash and Cash Equivalents at the end of the year	2,463,515,177	727,598,618



	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash on hand	11,374,916	8,499,753
Balance with banks:		
- In current accounts	2,452,140,261	719,098,865
Total	2,463,515,177	727,598,618

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 WAY-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place : Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place : Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Capital First Securities Limited

Report on the financial statements

We have audited the accompanying financial statements of Capital First Securities Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report *(Continued)*

Capital First Securities Limited

Auditor's responsibility *(Continued)*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 8 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

B S R & Co. LLP
5th Floor,
Lodha Excelus,
Apollo Mills Compound
Mumbai-400011
India
Chartered Accountants

Independent Auditor's Report *(Continued)*

Capital First Securities Limited

Report on other legal and regulatory requirements *(Continued)*

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 31 to the financial statements;

   iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report - 31 March 2018

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. According to the information and explanation given to us, the Company does not have any fixed assets, Accordingly, paragraph 3(i)(a), (b) and (c) of the Order is not applicable to the Company.

ii. The Company is in the business of advisory, business support services and loan syndication and consequently does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, good and services tax, stamp duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, employee state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income-tax, service tax, good and services tax, stamp duty and other material statutory dues which were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable are as follows –

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
State Government	Stamp duty	13.26	December 2011 to September 2013	-	-

B S R & Co. LLP Chartered Accountants 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India

Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of any disputes.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9.05	AY 2009-10	CIT(A)

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any outstanding dues to financial institutions, bank, government or debenture holders at any point of time during the current financial year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any money by way of initial public offer/ further public offer, debt instruments and term loans during the current financial year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations give to us and based on our examination of the records of the Company no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable.



Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

Capital First Securities Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Capital First Securities Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Capital First Securities Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018 *(Continued)*

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

CAPITAL FIRST SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Amount in Rupees

Particulars	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	673,556,000	673,556,000
Reserves and Surplus	4	(18,500,638)	(195,051,527)
		655,055,362	**478,504,473**
Non - Current Liabilities			
Other Long term liabilities	5	85,788,789	69,853,801
Long term provisions	6	195,301	146,909
		85,984,090	**70,000,710**
Current Liabilities			
Trade payables	7		
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		1,659,954	1,495,186
Other current liabilities	8	60,661,415	54,456,388
Short term provisions	9	1,352,715	1,345,330
		63,674,084	**57,296,904**
TOTAL		**804,713,536**	**605,802,087**
ASSETS			
Non - Current Assets			
Non - current investments	10	282,800,000	282,800,000
Deferred tax assets (Net)	11	40,543,719	34,397,532
Other non current assets	12	16,720,584	15,722,825
Long term loans and advances	13	9,325,503	10,142,480
		349,389,806	**343,062,837**
Current Assets			
Current Investments	14	370,000,000	192,500,000
Trade receivables	15	84,518,780	4,633,696
Cash and bank balance	16	522,748	618,272
Short term loans and advances	17	282,202	64,987,282
		455,323,730	**262,739,250**
TOTAL		**804,713,536**	**605,802,087**
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

Anand Rai
Managing Director & Company Secretary A CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

CAPITAL FIRST SECURITIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rupees

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	18	220,558,691	133,629,689
Other Income	19	20,511,043	15,152,810
Total revenue		**241,069,734**	**148,782,499**
Expenses			
Employee benefits expense	20	18,507,214	15,096,061
Finance costs	21	932	9,081
Other expenses	22	5,446,886	3,204,886
Total Expenses		**23,955,032**	**18,310,028**
Profit before tax		**217,114,702**	**130,472,471**
Tax expense:			
- Current tax		-	21,740,001
Minimum Alternate Tax		46,710,000	-
- Deferred tax		(6,146,187)	(34,397,532)
		40,563,813	**(12,657,531)**
Profit after tax		**176,550,889**	**143,130,002**
Earnings per Equity Share:	23		
- Basic (Face value of Rs. 10/-)		2.91	2.30
- Diluted (Face value of Rs. 10/-)		2.91	2.30
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

Anand Rai
Managing Director & Company Secretary & CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

CAPITAL FIRST SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	For the year ended March 31, 2018		For the year ended March, 2017	
Profit before tax		**217,114,702**		**130,472,471**
Adjustments for:				
Excess Provision written back	(115,725)		(570,903)	
Provision for doubtful advances	-		-	
Provision for Gratuity	49,172		147,705	
Profit on sale of Investment	(19,286,694)		(13,048,424)	
Interest Income	(1,108,624)		(1,045,795)	
Provision for doubtful advances	1,500,000		-	
		(18,961,871)		(14,517,417)
Operating Profit Before Working Capital Changes		**198,152,831**		**115,955,054**
(Increase)/ decrease in trade and other receivables	-		-	
(Increase)/Decrease in short term loans & advances	63,707,321		(47,349,013)	
(Increase)/ Decrease in trade receivables	(81,385,084)		(4,626,088)	
Increase/ (decrease) in trade payables	164,768		662,094	
Increase/ (decrease) in other current liabilities	22,255,740		31,705,278	
Increase/ (decrease) in short term provisions	6,604		17,692	
		4,749,349		(19,590,037)
Cash from / (used) in operations		202,902,180		96,365,017
Income taxes (refund) /paid		(45,893,023)		(19,454,586)
Net Cash from Operating Activities		**157,009,157**		**76,910,431**
Cash flows from investing activities				
Purchase of Investments	(370,000,000)		(606,300,000)	
Proceeds from sale of investments	211,786,694		524,748,425	
Interest received	1,108,624		1,045,795	
Net cash (used in) / from investing activities		**(157,104,682)**		**(80,505,780)**
Cash flows from financing activities				
Net cash used in financing activities		-		-
Net decrease in cash and cash equivalents during the year		**(95,525)**		**(3,595,351)**
Cash and cash equivalents at beginning of year		**618,272**		4,213,623
Cash and cash equivalents at end of year		**522,748**		**618,272**

	As at March 31, 2018	As at March 31, 2017
Cash & Cash equivalents:		
Cash on hand and bank balances	522,748	618,272
Total	**522,748**	**618,272**

Note:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rule 7 of the Companies Accounts Rules, 2014 and the Companies (Accounting Standard) Amendment Rule 2016

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
Capital First Securities Limited

Anand Rai
Managing Director &
Company Secretary & CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

NOTE

NOTE

NOTE

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

ATTENDANCE SLIP

(To be presented at the entrance)

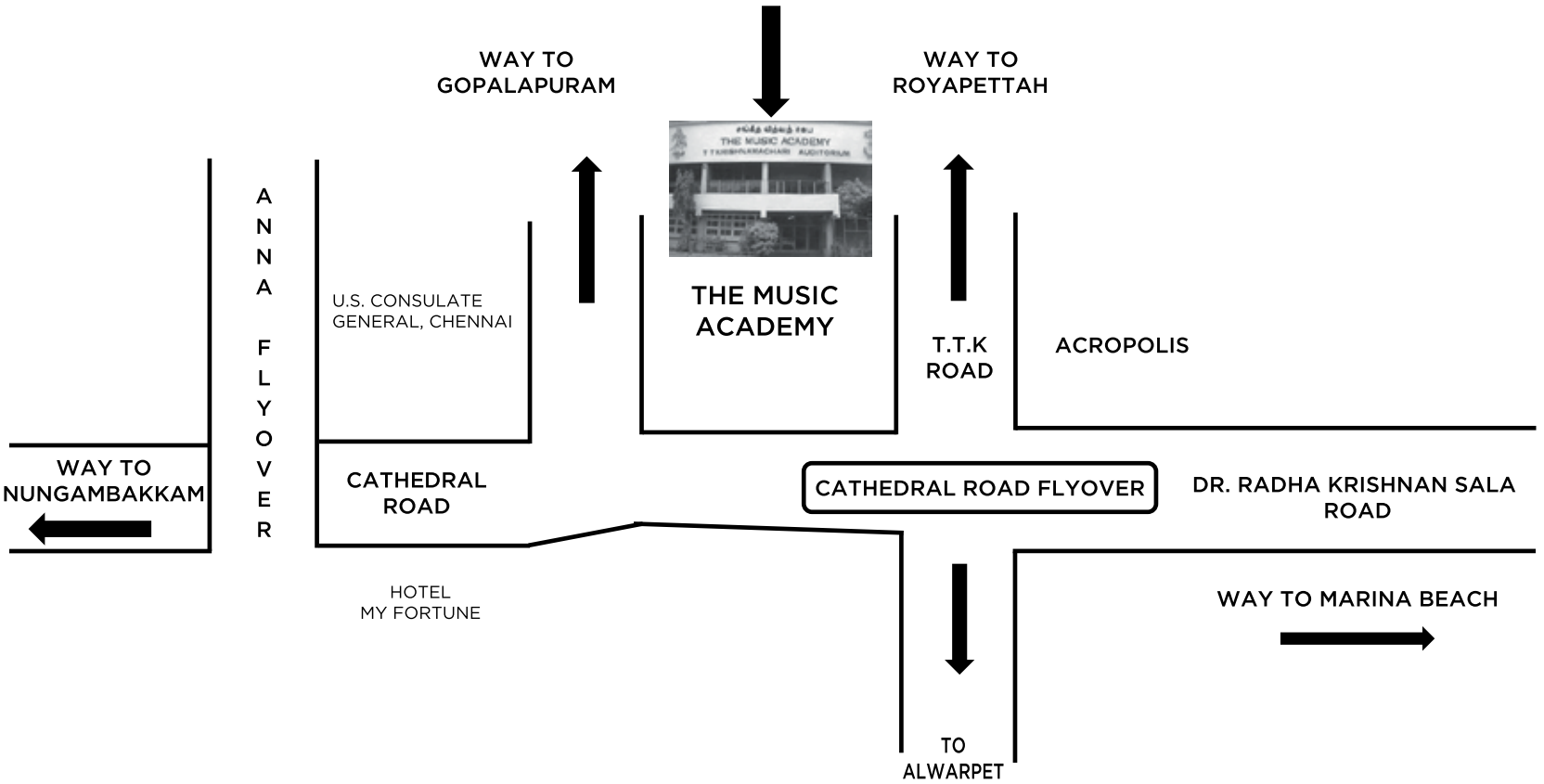
ISIN No./DP ID & Client ID	
Name and Address of the Unsecured Creditor	
Full name of Proxy/Authorised Representative	
Unsecured Creditor's/Proxy's/Authorised Representative's Signature	

I hereby record my presence at the Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company, convened as per the directions of the National Company Law Tribunal, Chennai Bench, pursuant to the Order dated July 19, 2018 passed in Company Scheme Application No. 132 of 2018 held on **Monday, September 03, 2018** at **11:00 a.m.** at The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India.

Notes:

1. **An Unsecured Creditor / Proxy / Authorised Representative needs to furnish duly signed 'Attendance Slip' along with a valid Identity proof such as PAN card, Passport, Aadhaar card or Driving License to enter the Meeting hall.**
2. Unsecured Creditor / Proxy / Authorised Representative is requested to bring his / her copy of the Notice for reference at the Meeting.

THE MUSIC ACADEMY, T.T.K AUDITORIUM (MAIN HALL),
Near Acropolis Building, New No. 168 (Old No. 306),
T.T.K. Road, Royapettah, Chennai - 600 014



ROUTE MAP FOR IDFC BANK NCLT CONVENED MEETING

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

UNSECURED CREDITORS

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1.	Name of the Unsecured Creditor :	
2.	Address :	
3.	DP ID No. /Client ID No./ISIN No. : (Please refer Note No. 3 below)	
4.	Principal amount due as on July 13, 2018 : (Please refer Note No. 3 below)	

I/We, being Unsecured Creditor(s) of the Applicant/Amalgamated Company, hereby appoint :

1. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
2. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
3. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company, convened as per the directions of the National Company Law Tribunal, Chennai Bench pursuant to the Order dated July 19, 2018 passed in Company Scheme Application No. 132 of 2018 to be held on **Monday, September 03, 2018** at **11:00 a.m.** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India and at any adjournment thereof in respect of the resolution as is indicated below:

Sr. No.	Particulars	Vote (Optional#) (Please put a (✓) mark or please mention no. of shares)	
		For	Against
1.	To approve the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013		

Signed this _____ day of _____ 2018

Affix Revenue Stamp of ₹ 1

Signature of Unsecured Creditor _____ Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank i.e. KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031 not less than 48 hours before the commencement of the Meeting.

#2. It is optional to indicate your preference. If you leave the 'For' or 'Against' column blank, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

3. In case of multiple ISINs/Schemes, please attach a duly signed and stamped Annexure giving details for Point No. 3 and 4 above.

4. In case the Unsecured Creditor is an entity, the duly completed Proxy Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the Proxy holder.

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

POSTAL BALLOT FORM
Unsecured Creditors

(Please read the instructions carefully before completing this form)

1. Name and address of the Unsecured Creditor (IN BLOCK LETTERS) :

2. DP ID No./ Client ID No. /ISIN No. :

3. Principal Amount due as on July 13, 2018 (in Rs.) :

4. I/We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the Notice dated July 20, 2018 of IDFC Bank Limited by sending my/our assent (For) or dissent (Against) to the said resolution by placing the tick mark (✓) at the appropriate column below.

Description of Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Approval of Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.		

Place:

Date:

_____
Signature of the Unsecured Creditor

Notes:
1. For sending hard copy of the Postal Ballot Form, please refer the instructions overleaf.
2. In case of multiple ISINs/ Schemes, please attach a duly signed and stamped Annexure giving details for Point No. 2 and 3 above.

INSTRUCTIONS

1. The Chennai Bench of the Hon'ble National Company Law Tribunal ('NCLT'), vide its Order dated July 19, 2018, has directed that a Meeting of the Unsecured Creditors of the Applicant/Amalgamated Company be convened and held at The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014, Tamil Nadu, India on Monday, September 03, 2018 at 11:00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. Pursuant to Sections 230 to 232 and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, assent or dissent of the Unsecured Creditors in respect of the resolution detailed in the Notice dated July 20, 2018 is being additionally sought through Postal Ballot process.

3. The voting period for Postal Ballot shall commence on and from Saturday, August 04, 2018 at 9:00 a.m. IST and ends on Sunday, September 02, 2018 at 5:00 p.m. IST.

4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than Sunday, September 02, 2018 at 5:00 p.m. IST. Postal Ballot Forms received thereafter will be strictly treated as if reply from such Unsecured Creditor has not been received. The Unsecured Creditors are requested to send the duly completed Postal Ballot Forms well before the last date, providing sufficient time for postal transit. Unsecured Creditors from whom no Postal Ballot Form is received or received after the aforesaid stipulated date shall not be counted for voting on the resolution.

5. An Unsecured Creditor desiring to exercise vote by Postal Ballot Form is requested to carefully read these instructions and return the duly completed form in the attached self-addressed postage pre-paid business reply envelope, so as to reach the Scrutinizer Mr. B Narasimhan, Practising Company Secretary of M/s. BN & Associates at c/o IDFC Bank Limited, 6th Floor, Naman Chambers , C-32, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051 on or before 5:00 p.m. on Sunday, September 02, 2018.

6. Please convey your assent in column "FOR" or dissent in the column "AGAINST" by placing a tick (√) mark in the appropriate column in the Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.

7. The voting rights will be in proportion to the principal amount due in the name of the respective Unsecured Creditor as on Friday, July 13, 2018, being the 'cut-off date'.

8. Voting by Postal Ballot can be exercised only by the Unsecured Creditor or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person. Voting rights in a Postal Ballot cannot be exercised by a Proxy. Unsecured Creditors can opt only one mode for voting i.e. Postal Ballot Form or Poll exercised at the Meeting.

9. Unsecured Creditors who have cast their votes by Postal Ballot can also attend the Meeting.

10. An Unsecured Creditor desirous of exercising vote by Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid business reply envelope which shall be properly sealed with adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the Unsecured Creditor but using the self-addressed postage pre-paid envelope will also be accepted. Unsecured Creditors are requested to convey their assent or dissent in this Postal Ballot Form only.

11. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Chairperson as per the directions of NCLT.

12. In case the Unsecured Creditor is an entity, the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.

13. Unsecured Creditors are requested not to send any paper (other than the resolution/authority/POA) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

14. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected.

15. An Unsecured Creditor may download the Postal Ballot Form from the website of the Bank i.e. www.idfcbank.com.

16. The proposed Scheme of Amalgamation, if assented by majority of Unsecured Creditors representing three-fourth in value of those Unsecured Creditors who have voted either by Postal Ballot or voting by Poll at the Meeting, shall be considered as passed on the date of the Meeting i.e. Monday, September 03, 2018. The result of the voting on the resolution will be declared on or before Wednesday, September 05, 2018.

17. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.

18. Any query in relation to the resolution may be sent to: debt.investors@idfcbank.com.

www.basantenvelopes.in

ANNEXURE 3

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

NOTICE OF MEETING OF THE SECURED CREDITORS OF IDFC BANK LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

MEETING:

Day	:	Monday
Date	:	September 03, 2018
Time	:	9:30 a.m.
Venue	:	The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India

POSTAL BALLOT:

Start Date and Time	:	Saturday, August 04, 2018 at 9:00 a.m.
End Date and Time	:	Sunday, September 02, 2018 at 5:00 p.m.

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3.	**Annexure 1** Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.	23
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Before the National Company Law Tribunal, Chennai Bench
COMPANY SCHEME APPLICATION NO. 132 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT/AMALGAMATED COMPANY

To,

All the Secured Creditors of IDFC Bank Limited (the '**Applicant/Amalgamated Company**' or '**the Bank**'):

NOTICE is hereby given that by an Order dated July 19, 2018 in the above mentioned Company Scheme Application (the **'Order'**), the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**') has directed a Meeting be held of the Secured Creditors of the Applicant/Amalgamated Company for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation ('**Scheme**') of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('**Amalgamation**').

In pursuance of the said Order and as directed therein, further notice is hereby given that a Meeting of the Secured Creditors of the Applicant/Amalgamated Company will be held on **Monday, September 03, 2018** at **9:30 a.m.**, at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India at which time and place the said Secured Creditors are requested to attend, to pass the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 230, Section 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules, circulars and notifications made thereunder, as may be applicable, the Banking Regulation Act, 1949, the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016, the Reserve Bank of India Act, 1934 and all circulars, notifications, guidelines, directions framed thereunder (including any statutory modification(s) or re-enactment(s) thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other applicable laws and regulations and subject to the provisions of the Memorandum and Articles of Association of the Bank and subject to approval of the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**') and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the '**Board**', which term shall be deemed to include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Amalgamation ('**Scheme**') of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors ('**Amalgamation**') as placed before this Meeting and initialed by the Chairperson of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board and Mr. Mahendra N. Shah – Group Company Secretary & Group Compliance Officer be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT or by any regulatory or other authorities while sanctioning the Scheme, as may be deemed fit."

Explanatory Statement under Section 230(3), Section 232(2) read with Section 102 of the Companies Act, 2013, along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith. Copies of the said Scheme and the Explanatory Statement along with Proxy Form, Attendance Slip and Postal Ballot Form can be obtained free of charge from the Registered Office of the Bank. Persons entitled to attend and vote at the Meeting, may vote in person or by Proxy,

provided that all proxies in the prescribed form are deposited at the Registered Office of the Bank at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031, Tamil Nadu, India not later than 48 hours before the Meeting.

In accordance with the applicable regulatory provisions, in addition to casting of votes on Poll at the Meeting, the Bank is providing the Secured Creditors with the facility for casting their votes by way of Postal Ballot. The Secured Creditors may refer to the instructions behind the Postal Ballot Form for further details on voting through Postal Ballot. The voting rights of the Secured Creditors shall be in proportion to the principal amount due to them as on closure of business hours on **Friday, July 13, 2018 ('Cut-off Date')**.

The Postal Ballot shall remain open from **Saturday, August 04, 2018** at **9:00 a.m.** to **Sunday, September 02, 2018** at **5:00 p.m.**

The NCLT has appointed Ms. Veena Mankar, Independent Non-Executive Chairperson of the Bank and failing her, Dr. Rajiv B. Lall, Founder Managing Director and CEO of the Bank as Chairperson of the said Meeting. The above mentioned Amalgamation, if approved at the Meeting, will be subject to approval of the Hon'ble NCLT.

A route map along with prominent landmark for easy location to reach the venue of the Meeting is annexed with this Notice.

Sd/-
Veena Mankar
Chairperson appointed for the Meeting

Dated this 20th day of July, 2018

Registered Office:
KRM Towers, 7th Floor,
No. 1 Harrington Road,
Chetpet, Chennai - 600 031

Notes:

1. Explanatory Statement pursuant to Section 230(3), Section 232(2) read with Section 102 of the Companies Act, 2013 to the Notice of the Meeting of the Secured Creditors of the Applicant/Amalgamated Company convened as per the directions of the National Company Law Tribunal, Chennai Bench is annexed hereto.
2. **PROXIES**
   i. A SECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE AN SECURED CREDITOR OF THE BANK. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE BANK'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY FILLED, SIGNED AND STAMPED PROXY FORM WILL BE CONSIDERED VALID.
   ii. A minor cannot be appointed as a Proxy. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, it shall be under its seal and be signed by an officer or an attorney duly authorised by it.
3. The authorised representative of a body corporate which is a registered Secured Creditor of the Applicant/Amalgamated Company may attend and vote at the Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting, is deposited at the Registered Office of the Applicant/Amalgamated Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting.
4. The Notice convening the Meeting will be published through an advertisement in Hindu Business Line (All Editions in English) and translation thereof in Makkal Kural in Tamil language (Chennai Edition).
5. A Secured Creditor or his/her Proxy or Authorised Representative is requested to bring the copy of this Notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.
6. Registered Secured Creditors who hold securities in dematerialized form are requested to bring their Client ID/DP ID/ISIN details for easy identification of the attendance at the Meeting.
7. The Notice is being sent to all Secured Creditors, whose name appeared in the register of Secured Creditors as on **Friday, July 13, 2018**. This Notice of the Meeting of the Secured Creditors of the Applicant/Amalgamated Company is also displayed/posted on the website of the Applicant/Amalgamated Company at www.idfcbank.com.
8. Also, the Bank is offering facility for voting through Postal Ballot Form. A Postal Ballot Form along with self-addressed postage pre-paid Business Reply Envelope is enclosed. Secured Creditors are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed with assent (for) or dissent (against), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before **Sunday, September 02, 2018** by **5:00 p.m.** Secured Creditors who have received the Notice by e-mail and who wish to vote through Postal Ballot can download the Postal Ballot Form from the Bank's website www.idfcbank.com.

9. Also, the Bank is offering facility for voting by way of ballot papers at the Meeting for the Secured Creditors attending the Meeting who have not cast their vote by Postal Ballot.

10. Secured Creditors can opt only for one mode of voting out of the aforementioned modes viz. Postal Ballot or ballot paper at the Meeting.

11. It is clarified that, casting of votes by Postal Ballot does not disentitle any Secured Creditor from attending the Meeting. Secured Creditor after exercising his/her right to vote through Postal Ballot shall not be allowed to vote again at the Meeting.

12. Voting rights shall be in proportion to the principal amount due to the Secured Creditors as on the cut-off date i.e. **Friday, July 13, 2018**.

13. The voting period for Postal Ballot shall commence on and from **Saturday, August 04, 2018** at **9:00 a.m.** and end on **Sunday, September 02, 2018** at **5:00 p.m.**

14. No other form or photocopy of the Postal Ballot Form is permitted.

15. As per the Order of the Hon'ble NCLT, Mr. B Narasimhan, Practising Company Secretary of M/s BN & Associates, Company Secretaries is appointed as the Scrutinizer to scrutinize the votes cast through Postal Ballot or through ballot paper at the Meeting and submit the report to the Chairperson of the Meeting within 48 hours from the conclusion of the Meeting.

16. The Scrutinizer will submit his combined report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Secured Creditors of the Applicant/Amalgamated Company through Postal Ballot or ballot paper at the venue of the Meeting. The Scrutinizer's decision on the validity of the vote shall be final. The results will be announced on or before **Wednesday, September 05, 2018**. The results, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Applicant/Amalgamated Company and on the website of the Applicant/Amalgamated Company i.e. www.idfcbank.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

17. The resolution will be deemed to have been passed on the Meeting date, subject to receipt of the requisite number of votes cast in favour of the resolution.

18. All the documents referred to in the Explanatory Statement shall be available for inspection by the Secured Creditors at the Registered Office of the Bank between 9:00 a.m. to 6:00 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.

19. In accordance with the provisions of Section 230 read with Section 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority of persons representing three-fourth in value of the Secured Creditors of the Applicant/Amalgamated Company, voting by way of Postal Ballot and voting by way of ballot paper at the Meeting, agree to the Scheme.

Before the National Company Law Tribunal, Chennai Bench
COMPANY SCHEME APPLICATION NO. 132 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3), SECTION 232(2) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT/AMALGAMATED COMPANY

1. Pursuant to the Order dated July 19, 2018, passed by the Hon'ble National Company Law Tribunal, Chennai Bench ('**NCLT**'), in the Company Scheme Application No. 132 of 2018 ('**Order**'), a Meeting of the Secured Creditors of the Applicant/Amalgamated Company is being convened on **Monday, September 03, 2018**, at **9:30 a.m.** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India, for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited ('**Amalgamating Company 1**') and Capital First Home Finance Limited ('**Amalgamating Company 2**') and Capital First Securities Limited ('**Amalgamating Company 3**') (hereinafter collectively referred to as the '**Amalgamating Companies**') with the Applicant/Amalgamated Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. This statement is being furnished as required under Sections 230(3), Section 232(2) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. BACKGROUND OF THE SCHEME

3.1 The Scheme provides for:

i. The voluntary amalgamation of the Amalgamating Company 1 with the Applicant/Amalgamated Company, pursuant to the provisions of the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016 ('**RBI Amalgamation Directions**'), in lieu whereof, equity shares of the Applicant/Amalgamated Company will be issued to the shareholders of the Amalgamating Company 1 as on the Record Date (as specified in the Scheme), in accordance with the Share Exchange Ratio (as mentioned below) duly determined in accordance with separate valuation reports and fairness opinions obtained by the Amalgamating Company 1 and the Applicant/Amalgamated Company as set out in the Scheme, and the dissolution of the Amalgamating Company 1 without winding-up, pursuant thereto ('**Part A Merger**'); and

ii. Subsequent to the occurrence of the Part A Merger above, the voluntary amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Applicant/Amalgamated Company, in lieu whereof, no consideration shall be payable, and the securities in Amalgamating Company 2 and Amalgamating Company 3 respectively, fully held by the Applicant/Amalgamated Company, pursuant to the Part A Merger, shall be cancelled or shall be deemed to be cancelled ('**Part B Merger**').

3.2 Since the Scheme is a Composite Scheme of Amalgamation, the Part A Merger and the Part B Merger shall occur almost simultaneously and on the effectiveness of the Scheme. Therefore, pursuant to the Amalgamation, the Applicant/ Amalgamated Company does not intend to acquire and/or operate the subsidiary companies of the Amalgamating Company 1 (viz. the Amalgamating Company 2 and Amalgamating Company 3) and they shall stand merged with the Applicant/Amalgamated Company upon completion of the Part A Merger and on the same day (Part A Merger and Part B Merger collectively be referred to as '**Amalgamation**').

3.3 The draft Scheme was placed before the Audit Committee of the Applicant/Amalgamated Company at its meeting held on January 13, 2018. In accordance with the provisions of the Securities and Exchange Board of India Circular No. CFD/DIL3/ CIR/2017/21 dated March 10, 2017 ('**SEBI circular**'), the Audit Committee of the Applicant/Amalgamated Company at its meeting held on January 13, 2018, recommended the Scheme to the Board of Directors of the Applicant/Amalgamated Company *inter alia* taking into account the following:

i. The draft Scheme between and amongst the Amalgamating Companies and the Applicant/Amalgamated Company;

ii. The draft Implementation Agreement to be entered into between the Amalgamating Company 1 and the Applicant/ Amalgamated Company;

iii. The Legal and Financial Due Diligence reports provided by the legal (AZB & Partners) and financial advisors (Ernst & Young LLP) of the Applicant/Amalgamated Company;

iv. The Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Applicant/Amalgamated Company;

v. The Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited;

vi. Draft certificate issued by Deloitte Haskins & Sells, the Statutory Auditors of the Applicant/Amalgamated Company, confirming the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Companies Act, 2013, pursuant to paragraph I.A.5 of Annexure I of the SEBI Circular;

vii. Draft of the undertaking to be provided by the Applicant/Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraphs I.A.9 (a) and (b) of Annexure I of the SEBI Circular;

viii. Draft undertaking by Deloitte Haskins & Sells, the Statutory Auditors of the Applicant/Amalgamated Company, pursuant to paragraph I.A.9 (c) of the SEBI Circular, in relation to the non-applicability of paragraph I.A.9 (a) and (b) of Annexure I of the SEBI Circular.

3.4 Based on the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant/Amalgamated Company, at its meeting held on January 13, 2018, approved the Amalgamation.

3.5 Further, the Boards of the Amalgamating Companies, at their respective meetings held on January 13, 2018, have approved the Amalgamation after taking into consideration, *inter alia,* the Valuation Report submitted by the independent valuer, Walker Chandiok & Co. LLP, Chartered Accountants and Fairness Opinion issued by JM Financial Institutional Securities Limited to the Amalgamating Company 1.

3.6 **Share Exchange Ratio:** Upon the coming into effect of the Scheme:

i. In relation to the Part A Merger, equity shares of the Applicant/Amalgamated Company shall be issued to the shareholders of Amalgamating Company 1 (as on the Record Date) in the ratio of 139:10, i.e. 139 (One Hundred and Thirty Nine) fully paid-up equity shares of Applicant/Amalgamated Company of face value of Rs. 10 (Rupees Ten only) each shall be issued for every 10 (Ten) equity shares of face value of Rs. 10 (Rupees Ten only) each of the Amalgamating Company 1, each fully paid-up, as per the terms of the Scheme; and

ii. In relation to the Part B Merger, no consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Applicant/Amalgamated Company, and the securities held by the Applicant/Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively (pursuant to the Part A Merger), shall stand cancelled without any further act, application or deed.

4. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

4.1 IDFC BANK LIMITED (APPLICANT/AMALGAMATED COMPANY)

i. The Applicant/Amalgamated Company, CIN: L65110TN2014PLC097792 having PAN: AADCI6523Q is a public limited company which was incorporated on October 21, 2014 under the Companies Act, 2013, under the name and style "IDFC Bank Limited" with the Registrar of Companies, Chennai. The equity shares of the Applicant/Amalgamated Company are listed on the BSE Limited ('**BSE**') and the National Stock Exchange of India Limited ('**NSE**').

ii. Contact Details of the Applicant/Amalgamated Company:

Registered Office: KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031.

Phone No.: + 91 44 4564 4000 Fax No.: +91 44 4564 4022 Email: bank.info@idfcbank.com

iii. Objects Clause of the Applicant/Amalgamated Company

a. The main objects of the Applicant/Amalgamated Company as set out in its Memorandum of Association are briefly as under:-

1. "To carry on the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

2. To establish and carry on the business of banking in any part of India or outside India.

……"

b. Further, Object Clause 54 of the Memorandum of Association of the Applicant/Amalgamated Company authorizes arrangement with any other company.

iv. Nature of Business of the Applicant/Amalgamated Company

The Applicant/Amalgamated Company is in the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

The financial year of the Applicant/Amalgamated Company ends on March 31 every year.

v. The authorized, issued, subscribed and paid-up share capital of the Applicant/Amalgamated Company as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
5,000,000,000 equity shares of Rs.10 each	Rs. 50,000,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
3,404,107,072 equity shares of Rs. 10 each	Rs. 34,041,070,720

Subsequent to June 30, 2018, the share capital of the Applicant/Amalgamated Company has increased on July 02, 2018 pursuant to exercise of stock options by employees and as on the date of this Notice the issued, subscribed and paid up share capital of the Applicant/Amalgamated Company is Rs. 34,041,114,220 consisting of 3,404,111,422 equity shares of Rs. 10 each.

4.2 CAPITAL FIRST LIMITED (AMALGAMATING COMPANY 1)

i. The Amalgamating Company 1, CIN: L29120MH2005PLC156795 having PAN: AACCK6863C is a public limited company which was incorporated on October 18, 2005 under the Companies Act, 1956 as "KB Infin Private Limited", with Registrar of Companies, Mumbai and on August 31, 2006, "KB Infin Private Limited" was renamed as "KB Infin Limited" upon conversion to Public Limited company. It was subsequently renamed as "Future Capital Holding Limited" on December 21, 2006. Subsequently on November 8, 2012 it was renamed as Capital First Limited. The equity shares of the Amalgamating Company 1 are listed on BSE and NSE.

ii. **Contact Details of the Amalgamating Company 1:**

Registered Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. During the last five years, the Registered Office of the Amalgamating Company 1 has changed once on November 21, 2016 from 15th Floor, Tower-2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra to One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

iv. Objects Clause of the Amalgamating Company 1

a. The main objects of the Amalgamating Company 1 as set out in its Memorandum of Association are briefly as under:-

"To carry on business of Investment/Finance Company in all its branches and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert or otherwise deal in any shares, stocks, Debentures, Debenture stock, bonds, negotiable instruments, hedge instruments, warrants, certificates, premium notes, Treasury Bills, obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, options futures, money market securities, marketable or non-marketable, securities, derivatives, and other instruments and securities issued, guaranteed or given by

any government, semi-government, local authorities, public sector undertakings, companies, corporations, co-operative societies, trusts, funds, State, Dominion sovereign, Ruler, Commissioner, Public body or authority, Supreme, Municipal, Local or otherwise and other organisations/entities persons and to acquire and hold controlling and other interests in the securities or loan capital of any issuer company or companies.

1A) To carry on the business of merchant banking, investment banking, underwriting, portfolio management services, investment advisory services, financial planning and advisory services including tax planning and advisory, estate planning and setting of trust(s) for the same, financial consultancy, broking and sub broking for securities, commodities and currencies, asset management, venture capital fund, private equity fund, custodial services, factoring, real estate broking including planning and advisory activities, acting as an intermediary and advisors for purchase and sale of Artwork, credit reference agencies, referral arrangement(s), credit rating agencies, housing finance, foreign exchange broking, credit cards, money changing business, micro credit and rural credit in accordance with and to the extent permissible under the applicable regulations in respect of each of the above activities in India or elsewhere and to provide and to engage in all businesses as may be related or ancillary to the aforesaid business areas.

1B) To carry on the business of providing financial, investment advisory services, management and facilitation services, including but not limited to identifying investment opportunities, conducting analysis and assessment, providing investment recommendations and consultancy service for making available infrastructure (including but not limited to administrative, managerial, logistical, financial, communication and information technology facilities/services) to venture capital funds, including the trustees, beneficiaries and contributories or such funds, other funds (including but not limited to funds for providing debt financing investing in equity, equity linked securities and all other instruments as permitted under applicable laws), trusts, investment companies, joint ventures, corporate, institutional, group and individual investors.

1H) To carry on the business of a loan and finance company and to lend and advance money or give credit to such persons or companies and on such terms as it may seem expedient and in particular against the security of gold, bullion, vehicles, property whether moveable or immovable or any other asset, right, title, interest etc. for the purchase of gold, bullion, consumer durable products, paintings, sculptures or any other item or thing having artistic or aesthetic value or for any other purpose as the Company may deem fit and to guarantee the performance of any contract or obligation and the payment of money to any such person or companies and generally to give guarantee and indemnities.

……."

b. Further, Object Clause 5 of the Memorandum of Association of the Amalgamating Company 1 authorizes arrangement with any other company.

v. Nature of Business of Amalgamating Company 1

The Amalgamating Company 1 is engaged in the business of a systemically important non-banking financial company (non-deposit taking) under Section 45-I of the Reserve Bank of India Act. The Amalgamating Company 1 is engaged in lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.

The financial year of the Amalgamating Company 1 ends on March 31 every year.

vi. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 1 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
113,000,000 equity shares of Rs.10 each	Rs. 1,130,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
99,023,394 equity shares of Rs. 10 each	Rs. 990,233,940

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 1 upto the date of this Notice.

4.3 CAPITAL FIRST HOME FINANCE LIMITED (AMALGAMATING COMPANY 2)

i. The Amalgamating Company 2, CIN: U65192MH2010PLC211307 having PAN: AABCF6552G is a public limited company which was incorporated on December 23, 2010 under the Companies Act, 1956 as "Future Capital Home Finance Private Limited", with Registrar of Companies, Mumbai and on January 03, 2013, "Future Capital Home Finance Private Limited" was renamed as "Capital First Home Finance Private Limited" and subsequently on December 05, 2015 it was renamed as "Capital First Home Finance Limited".

ii. Contact Details of the Amalgamating Company 2:

Registered Office: One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. During the last five years, the Registered Office of the Amalgamating Company 2 has changed once on November 21, 2016 from 15th Floor, Tower-2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra to One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

iv. Objects Clause of the Amalgamating Company 2

a. The main objects of the Amalgamating Company 2 as set out in its Memorandum of Association are briefly as under:-

"1. To carry on the business of providing long term finance to any person or persons, company or corporation, society or association and, enabling such borrower to construct or purchase a house, flat or plot, for residential purpose and for improvement of present property and against existing property upon such security and such terms and conditions as the company may deem fit and to also provide long term finance to persons engaged in the business of construction of houses or flats for residential purpose to be sold by them by way of lease or on deferred payment or other similar basis upon such terms and conditions as the Company may think fit and proper.

1A. To carry on the business of Corporate Insurance Agents for the General Insurance Companies and/ or Life Insurance Companies owned by the Central Government or State Governments or Government Corporations or Private Insurance Companies including Foreign Companies, by soliciting and procuring all or any type of Insurance Policies for commission or on income sharing basis or on a fixed income basis.

1B. To engage in promoting, selling and distributing third party financial/ health or similar kind of commission/ brokerage/ fee based products.

……"

b. Further, Object Clause 32 of the Memorandum of Association of the Amalgamating Company 2 authorizes arrangement with any other company.

v. Nature of Business of the Amalgamating Company 2

The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.

The financial year of the Amalgamating Company 2 ends on March 31 every year.

vi. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 2 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
150,000,000 equity shares of Rs.10 each	Rs.1,500,000,000
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
137,733,079 equity shares of Rs.10 each	Rs.1,377,330,790

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 2 upto the date of this Notice

4.4 CAPITAL FIRST SECURITIES LIMITED (AMALGAMATING COMPANY 3)

i. The Amalgamating Company 3, CIN: U66010MH2007PLC169687 having PAN: AADCC0518P is a public limited company which was incorporated on April 05, 2007 under the Companies Act, 1956 as "Centrum Insurance Broking Private Limited", with Registrar of Companies, Mumbai. On October 22, 2007, "Centrum Insurance Broking Private Limited" was renamed as "Centrum Insurance Broking Limited". Subsequently on March 04, 2008, the name was changed to "Centrum Wealth Managers Limited". Subsequently on May 07, 2008, the name was changed to "FCH Centrum Wealth Managers Limited". On June 21, 2011, the name was changed to "Future Capital Securities Limited". On January 10, 2013, the name was changed to its current name "Capital First Securities Limited".

ii. Contact Details of the Amalgamating Company 3:

Registered Office: Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400 093.

Phone No.: +91 22 4042 3400 Fax No.: +91 22 4042 3401 Email: secretarial@capitalfirst.com.

iii. Objects Clause of the Amalgamating Company 3

a. The main objects of the Amalgamating Company 3 as set out in its Memorandum of Association are briefly as under:

"1. To do the business of wealth Manager by distribution of Mutual fund and other products and to buy, sell, transfer, hypothecate, deal in and dispose off any shares, share stocks, securities, property, bonds, any Government local authority bonds and certificates, securities, debentures, whether perpetual or redeemable debenture stock and to carry on business of share stock brokers, and or sub brokers.

2. To apply for and become a member of any recognized stock exchange in India and carry on business only as a corporate member of the exchange and shall not during such continuance as a member do or engage any other business which is not conducive to the business of share and share broking and other allied financial services.

……."

b. Further, Object Clause 19 of the Memorandum of Association of the Amalgamating Company 3 authorizes arrangement with any other company.

iv. Nature of Business

The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication. The financial year of the Amalgamating Company 3 ends on March 31 every year.

v. The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company 3 as on June 30, 2018 was as under:

Authorized Share Capital	**Amount in Rupees**
62,000,000 equity shares of Rs.10 each	Rs. 620,000,000
3,800,000 preference shares of Rs.100 each	Rs. 380,000,000
Total	**Rs.1,000,000,000**
Issued, subscribed and paid up Share Capital	**Amount in Rupees**
55,355,600 equity shares of Rs.10 each	Rs. 553,556,000
1,200,000 preference shares of Rs.100 each	Rs.120,000,000
Total	**Rs.673,556,000**

Subsequent to June 30, 2018, there has been no change in the share capital of the Amalgamating Company 3 upto the date of this Notice

5. RELATIONSHIP BETWEEN THE AMALGAMATING COMPANIES AND THE APPLICANT/AMALGAMATED COMPANY:

IDFC Financial Holding Company Limited is the Promoter of the Applicant/Amalgamated Company and as on June 30, 2018, held 54.30% equity stake in the Applicant/Amalgamated Company.

Dayside Investment Limited and Cloverdell Investment Limited are the promoters of Amalgamating Company 1, holding 1.26% and 34.27% equity stake, respectively in the Amalgamating Company 1, as on June 30, 2018.

Amalgamating Company 2 and Amalgamating Company 3 are the Wholly Owned Subsidiaries of Amalgamating Company 1.

Amalgamating Company 3 is the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ('**CFCL**') and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date and consequently, CFCL is not a part of the Amalgamation.

The Applicant/Amalgamated Company has an outstanding investment of Rs.105 crore in the Non-Convertible Debentures issued by Amalgamating Company 1.

However, there are only 4 parties to the Scheme, namely, the Applicant/Amalgamated Company, Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3.

Except the above, there is no other relationship between the Amalgamating Companies and the Applicant/Amalgamated Company.

6. RATIONALE OF THE SCHEME:

The proposed Scheme of Amalgamation providing for Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:

i. That the Scheme is founded on leveraging of the significant complementarities that exist between the Applicant/ Amalgamating Company 1, Applicant/ Amalgamating Company 2 and Applicant/ Amalgamating Company 3 and the Applicant/Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.

ii. That the Applicant/Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Applicant/ Amalgamated Company pursuant to the Amalgamation;

iii. That the Applicant/Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Applicant/Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Applicant/Amalgamated Company

iv. That the Applicant/Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1, the Amalgamating Company 2 and the Applicant/Amalgamated Company will stand merged into the Applicant/Amalgamated Company pursuant to the Amalgamation;

v. That the Applicant/Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Applicant/Amalgamated Company;

vi. That the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Applicant/Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book. While this is as per the information contained in the Scheme, it may be noted that as on March 31, 2018, the number is 3,365,005 live customers and 6,082,970 cumulative customers;

vii. That the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Applicant/Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

viii. That in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Applicant/Amalgamated Company will benefit from such infrastructure;

ix. That the Applicant/Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Applicant/Amalgamated Company;

x. That the Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, had assets under management of approximately Rs. 13,299,000,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Applicant/Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients. While this is as per the information contained in the Scheme and as on September 30, 2017, it may be noted that as on March 31, 2018, the assets under management are approximately Rs. 20,784,268,832 (Rupees Two Thousand and Seventy Eight Crores Forty Two Lakhs Sixty Eight Thousand Eight Hundred and Thirty Two);

xi. That the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is currently only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Applicant/Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

xii. That the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Applicant/ Amalgamated Company.

7. SALIENT FEATURES OF THE SCHEME:

7.1 Appointed date: The appointed date of the Scheme is the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Applicant/Amalgamated Company and is the date with effect from which the Scheme shall be operative.

7.2 Effective date: Effective date means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme.

7.3 Amalgamation of Amalgamating Companies with Applicant/Amalgamated Company: The Scheme envisages that upon the coming into effect of the Scheme on the 'Effective Date' (being such date as the Amalgamating Companies and the Applicant/Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme), the Part A Merger and the Part B Merger will occur pursuant to which the entire undertaking of each of the Amalgamating Companies, including all of their respective assets and liabilities, shall stand transferred to, and/ or deemed to be transferred to, and vested in the Applicant/Amalgamated Company from the Appointed Date.

7.4 Share Exchange Ratio: Upon the coming into effect of the Scheme:

i. In relation to the Part A Merger, equity shares of the Applicant/Amalgamated Company shall be issued to the shareholders of Amalgamating Company 1 (as on the Record Date) in the ratio of 139:10, i.e. 139 (One Hundred and Thirty Nine) fully paid-up equity shares of Applicant/Amalgamated Company of face value of Rs. 10 (Rupees Ten only) each shall be issued for every 10 (Ten) equity shares of face value of Rs. 10 (Rupees Ten only) each of the Amalgamating Company 1, each fully paid-up, as per the terms of the Scheme; and

ii. In relation to the Part B Merger, no consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Applicant/Amalgamated Company, and the securities held by the Applicant/Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively (pursuant to the Part A Merger), shall stand cancelled without any further act, application or deed.

7.5 The Share Exchange Ratio has been arrived at by an independent valuer, namely, S. R. Batliboi & Co. LLP, appointed by the Applicant/Amalgamated Company. The valuation report prepared by the independent valuer, S. R. Batliboi & Co. LLP, was submitted to the Audit Committee and Board of the Applicant/Amalgamated Company.

7.6 The Share Exchange Ratio has been approved by the Board of Applicant/Amalgamated Company as being fair after considering the: (i) independent valuation by the independent valuer viz. S. R. Batliboi & Co. LLP; and (ii) fairness opinion prepared by Kotak Mahindra Capital Company Limited for the Applicant/Amalgamated Company.

7.7 Employees: Upon the coming into effect of the Scheme and as a result of the Amalgamation, all employees of each of the Amalgamating Companies shall become employees of the Applicant/Amalgamated Company, subject to provisions of the Scheme, without any break or interruption in their service and on the basis of continuity of service on terms no less favourable than those on which they are engaged by the Amalgamating Companies.

7.8 Stock Options: Upon the coming into effect of the Scheme and as a result of the Amalgamation, stock options will be granted by the Applicant/Amalgamated Company to all eligible employees of the Amalgamating Companies in lieu of stock options of the Amalgamating Company 1 held by such employees, upon their transfer to the Applicant/Amalgamated Company, as applicable, pursuant to the Scheme.

7.9 Accounting Treatment: Upon the Scheme becoming effective, the Applicant/Amalgamated Company shall give effect to the accounting treatment in relation to the Amalgamation in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirements under the Companies Act, 2013 as may be applicable.

7.10 Until the effectiveness of the Scheme, the Applicant/Amalgamated Company and each of the Amalgamating Companies shall carry on their businesses in the ordinary course, consistent with past practice and in accordance with applicable law.

8. CAPITAL STRUCTURE (PRE AND POST AMALGAMATION):

8.1 Amalgamating Company 1

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company1 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
113,000,000 equity shares of Rs. 10 each	Rs. 1,130,000,000	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
99,023,394 equity shares of Rs.10 each	Rs. 990,233,940	-	-

8.2 Amalgamating Company 2

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company2 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
150,000,000 equity shares of Rs.10 each	Rs.1,500,000,000	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
137,733,079 equity shares of Rs.10 each	Rs. 1,377,330,790	-	-

8.3 Amalgamating Company 3

The Pre and Post Amalgamation Capital Structure of the Amalgamating Company3 is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
62,000,000 equity shares of Rs.10 each	Rs. 620,000,000	-	-
3,800,000 preference shares of Rs. 100 each	Rs. 380,000,000	-	-
Total	**Rs. 1,000,000,000**	-	-
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
55,355,600 equity shares of Rs.10 each	Rs. 553,556,000	-	-
1,200,000 preference shares of Rs.100 each	Rs.120,000,000	-	-
Total	**Rs. 673,556,000**	-	-

8.4 Applicant/Amalgamated Company

The Pre Amalgamation and Post Amalgamation (Tentative) Capital Structure of the Applicant/Amalgamated Company, based on June 30, 2018 Capital Structures of Applicant/Amalgamated Company and Amalgamating Companies, is as under:

Pre Amalgamation		Post Amalgamation	
Authorized Share Capital	**Amount in Rupees**	**Authorized Share Capital**	**Amount in Rupees**
5,000,000,000 equity shares of Rs. 10 each	Rs. 50,000,000,000	5,325,000,000 equity shares of Rs. 10 each	Rs. 53,250,000,000
-	-	3,800,000 preference shares of Rs. 100 each	Rs.380,000,000
Total	**Rs. 50,000,000,000**	**Total**	**Rs. 53,630,000,000**
Issued, Subscribed and Paid up Share Capital	**Amount in Rupees**	**Issued, Subscribed and Paid up Share Capital**	**Amount in Rupees**
3,404,107,072 equity shares of Rs 10 each	Rs.34,041,070,720	4,780,532,249 equity shares of Rs. 10 each	Rs. 47,805,322,490

9. PRE AND POST SHAREHOLDING PATTERN:

(Based on June 30, 2018 Shareholding Patterns of Applicant/Amalgamated Company and Amalgamating Company 1)

Sr. No.	Category & Name of the Shareholder	Pre-Amalgamation		Post-Amalgamation	
		No. of Shares	%	No. of Shares	%
(A)	PROMOTER SHAREHOLDING				
(1)	Indian				
(a)	Individuals/Hindu undivided Family				
(b)	Central Government/State Government(s)				
(c)	Financial Institutions/Banks				
(d)	Any Other				
	IDFC FINANCIAL HOLDING COMPANY LIMITED	1,848,512,668	54.30	1,848,512,668	38.67
	Sub-Total (A)(1)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other	-	-	-	-
	Sub-Total (A)(2)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**1,848,512,668**	**54.30**	**1,848,512,668**	**38.67**
(B)	**PUBLIC SHAREHOLDING**				
(1)	Institutions				
(a)	Mutual Funds	105,289,566	3.09	265,535,077	5.55
	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Mnc Fund	-	-	68,445,310	1.43
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	349,689,293	10.27	636,112,568	13.31
	Government of Singapore	-	-	121,875,005	2.55
	Platinum International Fund	49,475,422	1.45	49,475,422	1.03
	Dayside Investment Limited	-	-	17,346,602	0.36
(f)	Financial Institutions/Banks	22,379,088	0.66	30,365,861	0.64
(g)	Insurance Companies	47,079,442	1.38	54,180,396	1.13
(h)	Provident Funds/Pension Funds	-	-	-	-
(i)	Any Other				
	FOREIGN CORPORATE BODIES	4,601,271	0.14	476,334,537	9.96
	Cloverdell Investment Limited	-	-	471,733,266	9.87
	FOREIGN NATIONALS	12,201	0.00	12,201	0.00
	BODIES CORPORATES	107,051,902	3.14	107,051,902	2.24
	Sub Total (B)(1)	**636,102,763**	**18.69**	**1,569,592,542**	**32.83**
(2)	Central Government/State Government(s)/President of India	261,400,000	7.68	261,400,000	5.47
	PRESIDENT OF INDIA	261,400,000	7.68	261,400,000	5.47
	Sub Total (B)(2)	**261,400,000**	**7.68**	**261,400,000**	**5.47**
(3)	Non-Institutions				
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	365,889,812	10.75	540,884,599	11.31
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	211,710,637	6.22	323,773,702	6.77
(b)	NBFCs Registered with RBI	1,722,318	0.05	1,885,629	0.04
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	-	-	-	-
(e)	Any Other				
	CLEARING MEMBERS	42,424,626	1.25	50,173,529	1.05
	NON RESIDENT INDIANS	21,438,856	0.63	39,136,433	0.82
	NON RESIDENT INDIAN NON REPATRIABLE	8,277,586	0.24	12,872,106	0.27
	TRUSTS	6,627,806	0.19	6,662,528	0.14

Sr. No.	Category & Name of the Shareholder	Pre-Amalgamation		Post-Amalgamation	
		No. of Shares	%	No. of Shares	%
	FOREIGN NATIONALS	-	-	13,441	0.00
	IEPF	-	-	411,051	0.01
	HINDU UNDIVIDED FAMILY	-	-	11,307,511	0.24
	FOREIGN COMPANIES	-	-	66,442,000	1.39
	Caladium Investment Pte Ltd	-	-	66,442,000	1.39
	Bodies Corporate	-	-	47,464,511	0.99
	Sub Total (B)(3)	**658,091,641**	**19.33**	**1,101,027,040**	**23.03**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**3,404,107,072**	**100.00**	**4,780,532,249**	**100.00**

Notes:

a. In compliance with the RBI Guidelines for licensing of new banks in the private sector on February 22, 2013, IDFC Financial Holding Company Limited will enhance it's shareholding such that upon the effectiveness of the Scheme it holds 40% of the paid up equity capital of the Applicant/Amalgamated Company.

b. As stipulated by RBI, the Promoter Group of the Amalgamating Company 1 (i.e. Cloverdell and persons acting in concert) would reduce its equity shareholding such that, upon the effectiveness of the Scheme it holds below 10% of the paid up share capital in the Applicant/ Amalgamated Company and will be categorized as a Public Shareholder of the Applicant/Amalgamated Company.

10. AMOUNT DUE TO SECURED AND UNSECURED CREDITORS:

10.1 Applicant/Amalgamated Company

i. As on July 13, 2018, the amount due from Applicant/ Amalgamated Company to its secured creditors is Rs. 13,732.44 crore.

ii. As on July 13, 2018, the amount due from Applicant/ Amalgamated Company to its unsecured creditors is Rs. 56,084.34 crore.

10.2 Amalgamating Company 1

i. As on July 13, 2018, the amount due from the Amalgamating Company 1 to its secured creditors is Rs. 16,503.18 crore.

ii. As on July 13, 2018, the amount due from the Amalgamating Company 1 to its unsecured creditors is Rs. 4,887.50 crore.

10.3 Amalgamating Company 2

i. As on July 13, 2018, the amount due from the Amalgamating Company 2 to its secured creditors is Rs. 1,850.30 crore.

ii. As on July 13, 2018, the amount due from the Amalgamating Company 2 to its unsecured creditors is Rs. 360.08 crore.

10.4 Amalgamating Company 3

i. As on July 13, 2018, the amount due from the Amalgamating Company 3 to its secured creditors is NIL

ii. As on July 13, 2018, the amount due from the Amalgamating Company 3 to its unsecured creditors is Rs. 0.04 crore.

11. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

11.1 Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel ('**KMP**') and their respective relatives of the Amalgamating Companies and the Applicant/Amalgamated Company, may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant/Amalgamated Company and Amalgamating Company 1 or to the extent the said Directors/KMP are the partners, directors, members of the companies, firms, associations of persons, bodies corporates and/or beneficiary of trusts, that hold shares in the Applicant/Amalgamated Company and Amalgamating Company 1.

Save as aforesaid, none of the Directors or KMP of the Amalgamating Companies and the Applicant/Amalgamated Company have any material interest in the Scheme or are in any way connected or interested in the resolution proposed to be passed at the Meeting.

11.2 The details of the Directors and KMP of the Applicant/Amalgamated Company and their respective shareholdings in the Applicant/Amalgamated Company and the Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of Rs. 10 each in Applicant/ Amalgamated Company	Equity Shares of Rs.10 each in Amalgamating Company 1
00004168	Ms. Veena Mankar	Independent Non - Executive Chairperson	801, Park Heights, 10th Road, Near Madhu Park, Khar (West), Mumbai - 400 052.	-	-
00002593	Mr. Abhijit Sen	Independent Director	A92, Grand Paradi, 572, Dady Seth Hill, August Kranti Marg Mumbai - 400 036.	-	-
01657614	Mr. Ajay Sondhi	Independent Director	8 Cuscaden Walk, # 24-02, Singapore - 249692	-	-
00682433	Mr. Anand Sinha	Independent Director	Flat No.1103, Boulevard 2, The Address, LBS Marg, Opp. R City Mall, Ghatkopar (W), Mumbai - 400 086	-	-
07724555	Ms. Anindita Sinharay	Nominee Director - Government of India	K-3/1, Sector-13, R K Puram (Main), South West Delhi, Delhi - 110066	-	-
02395272	Mr. Rajan Anandan	Independent Director	Spring Leaf Apartment No. 3, Ground Floor, Brunton Cross Road, Bangalore - 560001	-	-
03055561	Mr. Sunil Kakar	Nominee Director - IDFC Limited	2603, Springs - 1, 26th Floor, Island City Centre, Dr. G. D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (E), Mumbai - 400 014	20,000 Equity Shares of Rs. 10 each	-
00131782	Dr. Rajiv B. Lall	Founder Managing Director & CEO	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	2,624,686 Equity Shares of Rs. 10 each	-
ABRPS7427F	Mr. Mahendra N. Shah	Group Company Secretary & Group Compliance Officer	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	100 Equity Shares of Rs. 10 each	-
AACPG6412A	Mr. Bipin Gemani	Chief Financial Officer	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	94,514 Equity Shares of Rs. 10 each	-

11.3 The details of the Directors and KMP of Amalgamating Company 1 and their respective shareholdings in the Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of Rs.10 each in Applicant/ Amalgamated Company	Equity Shares of Rs. 10 each in Amalgamating Company 1
00004916	Mr. Naresh Chand Singhal	Independent Director	D 107, Poornima, 23 Peddar Road, Mumbai - 400 026	1,000 Equity Shares of Rs. 10 each	-
00040769	Mr. Hemang Raja	Independent Director	Rashmi Apartments, Flat No. 4, D-Wing, 4th Floor, Carmichael Road, Mumbai - 400 026	-	-
06979864	Dr. (Mrs.) Brinda Jagirdar	Independent Director	1104, Eleven, Serenity Heights, A-wing, Mindspace, Off New Link Road, Malad (West), Mumbai - 400 064	-	-
00082596	Mr. V. Vaidyanathan	Chairman and Managing Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	*4,040,576 Equity Shares of Rs. 10 each
01035771	Mr. Vishal Mahadevia	Non-Executive Director	Warburg Pincus India Private Limited, 7th Floor, Express Towers, Nariman Point Mumbai - 400 021	-	-
00003252	Mr. Dinesh Kanabar	Independent Director	1101 & 1102, One Indiabulls Centre, Tower 2B, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013	-	-
06530414	Mr. Narendra Ostawal	Non-Executive Director	Warburg Pincus India Private Limited, 7th Floor, Express Towers, Nariman Point, Mumbai - 400 021	-	-
00169775	Mr. Swaminathan Sundararajan Mittur	Independent Director	Ashwarooda, Flat No-11, 2nd Floor, Building No-248, Ambujammal Street, TTK Salai, Alwarpet, Chennai, Tamil Nadu - 600 018	-	-
01738973	Mr. Apul Nayyar	Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	740,000 Equity Shares of Rs. 10 each
03288923	Mr. Nihal Desai	Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	200 Equity Shares of Rs. 10 each	75,000 Equity Shares of Rs. 10 each
AGHPG7454K	Mr. Satish Gaikwad	Head - Legal, Compliance & Company Secretary	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	601 Equity Shares of Rs. 10 each	8,490 Equity Shares of Rs. 10 Each
AAEPS5721Q	Mr. Pankaj Sanklecha	Chief Financial Officer & Head - Corporate Centre	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	348,255 Equity Shares of Rs. 10 Each

* This does not include donation by Mr. Vaidyanathan of 5 lakh equity shares of Amalgamating Company 1 to Rukmani Social Welfare Trust, for social cause/charitable purpose.

11.4 The details of the Directors and KMP of Amalgamating Company 2 and their respective shareholdings in Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of Rs.10 each in Applicant/ Amalgamated Company	Equity Shares of Rs.10 each in Amalgamating Company 1
00082596	Mr. V. Vaidyanathan	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	*4,040,576 Equity Shares of Rs. 10 each
01738973	Mr. Apul Nayyar	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	740,000 Equity Shares of Rs. 10 Each
03288923	Mr. Nihal Desai	Non-Executive Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	200 Equity Shares of Rs. 10 each	75,000 Equity Shares of Rs. 10 Each
00169775	Mr. Swaminathan Sundararajan Mittur	Non Executive & Independent Director	Ashwarooda, Flat No. 11, 2nd Floor, Building No-248, Ambujammal Street, TTK Salai, Alwarpet, Chennai, Tamil Nadu - 600 018	-	-
06979864	Dr. (Mrs). Brinda Jagirdar	Non Executive & Independent Director	1104, Eleven, Serenity Heights, A-wing, Mindspace, Off New Link Road, Malad (West), Mumbai - 400 064	-	-
AHIPG4353M	Mr. Bhavik Gala	Company Secretary	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	5 Equity Shares of Rs. 10 each
AEZPD3019H	Mr. Daryl William Dsouza	Chief Executive Officer	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	7,800 Equity Shares of Rs. 10 each
AIYPK3203F	Mr. Deepak Bhupendra Kundalia	Chief Financial Officer	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	1,001 Equity Shares of Rs. 10 each

* This does not include donation by Mr. Vaidyanathan of 5 lakh equity shares of Amalgamating Company 1 to Rukmani Social Welfare Trust, for social cause/charitable purpose.

11.5 The details of the Directors and KMP of Amalgamating Company 3 and their respective shareholdings in Applicant/ Amalgamated Company and Amalgamating Company 1, as on June 30, 2018, are as follows:

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of Rs. 10 each in Applicant/ Amalgamated Company	Equity Shares of Rs.10 each in Amalgamating Company 1
07019167	Mr. Anand Rai Jayprakash	Managing Director	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	-	2 Equity Shares of Rs. 10 each
00320507	Mr. Kailasam Raghuraman	Non Executive & Independent Director	No. 39, Amaravathy Nagar, Arumbakkam S.O., Chennai - 600 106	-	-

DIN / PAN	Name of the Director / KMP	Designation	Address	Equity Shares of Rs. 10 each in Applicant/ Amalgamated Company	Equity Shares of Rs.10 each in Amalgamating Company 1
06527313	Mr. Gourav Mardia	Non Executive & Independent Director	D - 504, Raheja Heights, General A K Vaidya Marg, Malad (E), Mumbai - 400097, Maharashtra, India	-	-

11.6 The details of the Directors of the Applicant/Amalgamated Company who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Applicant/Amalgamated Company held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Ms. Veena Mankar	Voted in favour
2.	Mr. Abhijit Sen	Voted in favour
3.	Mr. Ajay Sondhi	Voted in favour
4.	Mr. Anand Sinha	Voted in favour
5.	Ms. Anindita Sinharay	Did not participate (Leave of Absence)
6.	Mr. Rajan Anandan	Voted in favour
7.	Mr. Sunil Kakar	Voted in favour
8.	Dr. Rajiv B. Lall	Voted in favour

11.7 The details of the Directors of the Amalgamating Company 1 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 1 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. V. Vaidyanathan	Voted in favour
2.	Mr. Naresh Chand Singhal	Voted in favour
3.	Mr. Hemang Raja	Voted in favour
4.	Dr. (Mrs.) Brinda Jagirdar	Voted in favour
5.	Mr. Swaminathan Sundararajan Mittur	Voted in favour
6.	Mr. Dinesh Kanabar	Voted in favour
7.	Mr. Vishal Mahadevia	Voted in favour
8.	Mr. Narendra Ostawal	Voted in favour
9.	Mr. Apul Nayyar	Voted in favour
10.	Mr. Nihal Desai	Voted in favour

11.8 The details of the Directors of the Amalgamating Company 2 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 2 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. V. Vaidyanathan	Voted in favour
2.	Dr. (Mrs.) Brinda Jagirdar	Voted in favour
3.	Mr. Swaminathan Sundararajan Mittur	Voted in favour
4.	Mr. Apul Nayyar	Voted in favour
5.	Mr. Nihal Desai	Voted in favour

11.9 The details of the Directors of the Amalgamating Company 3 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of the Amalgamating Company 3 held on January 13, 2018, are given below:

Sr. No.	Name of Director	Voted in favour / against / did not participate
1.	Mr. Anand Rai Jayprakash	Voted in favour
2.	Mr. Kailasam Raghuraman	Voted in favour
3.	Mr. Gourav Mardia	Did not participate (Leave of Absence)

11.10 Details of the Promoter/Promoter Group of Applicant/Amalgamated Company as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
IDFC Financial Holding Company Limited (Holding Company)	KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031, India	54.30
IDFC Limited (Ultimate Holding Company)	KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031, India	54.30 (Indirectly)

11.11 Details of the Promoter/Promoter Group of Amalgamating Company 1 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Cloverdell Investment Limited	C/o Warburg Pincus Asia Ltd., 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius	34.27
Dayside Investment Limited	C/o Warburg Pincus Asia Ltd., 8th Floor, Newton Tower, Sir William Newton Street, Port Louis, Mauritius	1.26

11.12 Details of the Promoter/Promoter Group of Amalgamating Company 2 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Capital First Limited	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	100

11.13 Details of the Promoter/Promoter Group of Amalgamating Company 3 as on June 30, 2018 are as follows:

Name of Promoter/Promoter Group	Address	% Holding
Capital First Limited	One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	100

12. PROPOSED BOARD COMPOSITION OF APPLICANT/AMALGAMATED COMPANY:

Upon the effectiveness of the Scheme, the Applicant/Amalgamated Company's Board shall be reconstituted to provide for 12 (Twelve) Directors as follows:

i. Dr. Rajiv B. Lall shall be appointed as the Non-Executive Chairperson of the Applicant/Amalgamated Company;

ii. Mr. V. Vaidyanathan shall be appointed as the Managing Director and Chief Executive Officer of the Applicant/Amalgamated Company;

iii. The Applicant/Amalgamated Company Board and the Amalgamating Company 1 Board shall be equally represented on the reconstituted Applicant/Amalgamated Company Board;

iv. The reconstituted Applicant/Amalgamated Company Board shall have atleast 7 (Seven) independent directors.

13. STATUS OF APPROVALS:

13.1 As on the date of this Notice, the following approvals pertaining to the Amalgamation have been received:

i. The National Housing Bank has, via its letter dated February 16, 2018, given its no objection to the proposed Amalgamation,

ii. The NSE and BSE have, via their communications dated March 26, 2018 and March 14, 2018 respectively, conveyed their prior approval for the Amalgamation with respect to the Applicant/Amalgamated Company's Trading membership in the Currency Derivative Segment of NSE and BSE.

iii. The Competition Commission of India has, via its letter dated March 07, 2018, approved the proposed Amalgamation.

iv. The NSE and BSE have, via their communications both dated May 25, 2018, conveyed their no-objection to the filing of the Scheme before the Hon'ble NCLT.

v. The RBI has, via its letter dated June 04, 2018, granted its no-objection to the Amalgamation, subject to compliance with certain terms and conditions specified therein.

13.2 Further, the effectiveness of the Scheme is conditional upon the receipt of approval from the RBI in accordance with the terms of the RBI Amalgamation Directions. Additionally, the other approvals and conditions upon which the Scheme is contingent and which are currently pending, include, *inter alia*:

i. the Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Applicant/Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant National Company Law Tribunals;

ii. the Scheme having been approved by the relevant National Company Law Tribunals and the Amalgamating Companies and the Applicant/Amalgamated Company having received a certified true copy of the order of the National Company Law Tribunals approving the Scheme; and

iii. certified copies of the order of the National Company Law Tribunals approving the Scheme being filed with the Registrar of Companies.

13.3 The Amalgamating Companies have filed a joint application with the National Company Law Tribunal, Mumbai Bench on July 16, 2018, seeking its directions for convening meetings of the shareholders and creditors, as may be applicable. The order of the Tribunal in this regard, is awaited.

14. GENERAL:

14.1 The Scheme is not expected to have any adverse effects on the material interests of KMP, Directors, Promoters, Non-promoters members, Depositors, Creditors, Debenture holders, Debenture Trustee and Employees of the Amalgamating Companies and the Applicant/Amalgamated Company, wherever relevant.

14.2 The rights and interest of secured creditors and unsecured creditors of either of the companies, if any, will not be prejudicially affected by the Scheme, as no sacrifice or waiver, at all called from them, nor their rights are sought to be modified in any manner and post the Scheme, the Applicant/Amalgamated Company will be able to meet their liabilities.

14.3 The latest audited accounts for the year ended March 31, 2018 of the Applicant/Amalgamated Company indicate that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured creditor or unsecured creditor of the Applicant/Amalgamated Company would lose or be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is called for from them nor are their rights sought to be adversely modified in any manner.

Hence, the Amalgamation will not cast any additional burden on the shareholders or the creditors nor will it adversely affect the interest of any shareholders or creditors

14.4 As on the date of this Notice, no winding up proceedings are pending against the Applicant/Amalgamated Company and the Amalgamating Companies.

14.5 No investigation or proceedings are pending under the provisions of the Companies Act, 2013 in respect of the Applicant/ Amalgamated Company and the Amalgamating Companies.

14.6 The Applicant/Amalgamated Company and the Amalgamating Companies are required to seek approval/sanction/ no-objection from certain regulatory and governmental authorities for the Scheme such as Registrar of Companies, Regional Director and Income Tax Authority and will obtain the same at the relevant time.

14.7 Copy of the draft Scheme would be filed with the Registrar of Companies, Chennai, within the prescribed time.

14.8 A report adopted by the Directors of the Applicant/Amalgamated Company explaining effect of the Scheme on each class of Shareholders, KMP, Promoter and Non-promoter shareholders laying out in particular the share exchange ratio, is attached herewith.

14.9 Detailed Accounts of Applicant/Amalgamated Company and Amalgamating Companies:

Detailed audited accounts of the Applicant/Amalgamated Company for the year ended March 31, 2018, forming part of the Annual Report FY18, can be referred to on its official website at:

https://www.idfcbank.com/content/dam/IDFC/FY18/IDFC-Bank-Limited-Fourth-Annual-Report-2017-18.pdf

Detailed audited accounts of the Amalgamating Company 1 for the year ended March 31, 2018, forming part of the Annual Report FY18, can be referred to on its official website at:

https://www.capitalfirst.com/pdfs/Capital_First_AR_2017-18_with_notice.pdf

Detailed accounts of the Amalgamating Company 2 and Amalgamating Company 3 for the year ended March 31, 2018 can be referred to at:

https://www.capitalfirst.com/investor/financial-info

14.10 The following documents shall be available for obtaining extract from or for obtaining copies of or for inspection by the Secured Creditors of the Applicant/Amalgamated Company at its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031 between 9:00 am to 6:00 pm on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting:

i. Copy of the Order dated July 19, 2018 passed by the Hon'ble NCLT in Company Scheme Application No. 132 of 2018, of the Applicant/Amalgamated Company;

ii. Copy of the Composite Scheme of Amalgamation;

iii. Copy of the Audit Committee Report dated January 13, 2018 of the Applicant/Amalgamated Company and Amalgamating Company 1;

iv. Copy of the Valuation Report dated January 13, 2018 issued by S. R. Batliboi & Co. LLP, independent valuer appointed by the Applicant/Amalgamated Company;

v. Copy of the Fairness Opinion dated January 13, 2018 issued by Kotak Mahindra Capital Company Limited to the Applicant/Amalgamated Company;

vi. Copy of the Valuation Report dated January 13, 2018 issued by Walker Chandiok & Co. LLP, Chartered Accountants, independent valuer appointed by the Amalgamating Company 1;

vii. Copy of the Fairness Opinion dated January 13, 2018 issued by JM Financial Institutional Securities Limited to Amalgamating Company 1;

viii. Copy of the resolutions dated January 13, 2018 passed by the respective Board of Directors of the Applicant/ Amalgamated Company and the Amalgamating Companies, approving the Scheme;

ix. Copy of the Reports adopted by the Board of Directors of the Applicant/Amalgamated Company and Amalgamating Companies pursuant to the provisions Section 232 (2)(c) of the Companies Act 2013.

x. Copy of statutory auditors' certificates to the Applicant/Amalgamated Company and the Amalgamating Company 1, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

xi. Copy of Complaints reports submitted by the Applicant/Amalgamated Company and the Amalgamating Company 1 to BSE and NSE;

xii. Copy of No adverse observation/No-objection letters issued by BSE and NSE, to the Applicant/Amalgamated Company and the Amalgamating Company 1;

xiii. Abridged prospectus as provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations including applicable information pertaining to Amalgamating Company 2 and Amalgamating Company 3;

xiv. Copy of the Memorandum and Articles of Association of the Applicant/Amalgamated Company and the Amalgamating Companies;

xv. Copy of the Annual Reports of the Applicant/Amalgamated Company and the Amalgamating Companies for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

xvi. Copy of the Audited Financial Statements (Standalone and Consolidated, as may be applicable) of the Applicant/ Amalgamated Company and the Amalgamating Companies for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

Sd/-
Veena Mankar
Chairperson appointed for the Meeting

Dated this 20th day of July, 2018

Registered Office:
KRM Towers, 7th Floor,
No. 1 Harrington Road,
Chetpet, Chennai - 600 031

COMPOSITE SCHEME OF AMALGAMATION

OF

CAPITAL FIRST LIMITED
(Amalgamating Company 1)

AND

CAPITAL FIRST HOME FINANCE LIMITED
(Amalgamating Company 2)

AND

CAPITAL FIRST SECURITIES LIMITED
(Amalgamating Company 3)

WITH

IDFC BANK LIMITED
(Amalgamated Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PART A

GENERAL

1. DESCRIPTION OF THE COMPANIES

1.1 **IDFC Bank Limited** is a public limited company, incorporated under the Companies Act *(as defined hereinafter)*, having its registered office at KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600031 (hereinafter referred to as the "Amalgamated Company"). The Amalgamated Company is licensed as a banking company under the provisions of the Banking Regulation Act, 1949 ("BR Act"). The equity shares of the Amalgamated Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). The Amalgamated Company is primarily engaged in the business of providing banking services in India.

1.2 **Capital First Limited** is a public limited company, incorporated under the provisions of the Companies Act, 1956 ("1956 Act"), having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 1"). The Amalgamating Company 1 is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges. The Amalgamating Company 1 is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.

1.3 **Capital First Home Finance Limited** is a public limited company, incorporated under the provisions of the 1956 Act, having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 2"). Amalgamating Company 2 is registered with the National Housing Bank ("NHB") as a housing finance company. The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.

1.4 **Capital First Securities Limited** is a public limited, company incorporated under the provisions of the 1956 Act, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri(E), Mumbai – 400093 (hereinafter referred to as the "Amalgamating Company 3"). The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication. Amalgamating Company 3 is also the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ("CFCL") and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date (as defined hereinafter) and consequently, CFCL is not a part of the Amalgamation (as defined hereinafter).

2. This Scheme is presented for the amalgamation of Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively the "Amalgamating Companies") with the Amalgamated Company and the consequent dissolution of the Amalgamating Companies without winding up and the issuance of New Equity Shares *(as defined hereinafter)* to the shareholders of the Amalgamating Company 1 in accordance with the Share Exchange Ratio *(as defined hereinafter)*, pursuant

to Sections 230 – 232, and other relevant provisions of the Companies Act, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act *(as defined hereinafter)* ("Amalgamation").

3. BACKGROUND AND RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT

3.1 The Amalgamation pursuant to this Scheme would, inter alia, have the following benefits:

(a) the Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

(b) the Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;

(c) the Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;

(d) the Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;

(e) the Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;

(f) the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;

(g) the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;

(h) in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;

(i) the Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;

(j) Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, has assets under management of approximately ₹ 13,29,90,00,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;

(k) as of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

(l) the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.

3.2 Accordingly, to achieve the abovementioned benefits, the Boards (as defined hereinafter) of each of the Amalgamating Companies and the Amalgamated Company has decided to make requisite applications and / or petitions before the Tribunals / Governmental Authority (as defined hereinafter) as the case may be, as applicable under Sections 230 to 232 of the Companies Act and other applicable provisions of this Scheme.

4. This Scheme is divided into the following parts:

4.1 Part A, which deals with the general description of the Amalgamation, the background and the rationale for the Scheme.

4.2 Part B, which deals with the introduction and definitions, and sets out the share capital of the respective Amalgamating Companies and the Amalgamated Company.

4.3 Part C, which deals with the amalgamation of the Amalgamating Company 1 with the Amalgamated Company.

4.4 Part D, which deals with the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company.

4.5 Part E, which deals with the general terms and conditions applicable to this Scheme.

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART B

DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

5.1 In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively against them:

(a) "1956 Act" shall have the meaning set forth in Clause 1.2;

(b) "Amalgamation" shall have the meaning set forth in Clause 2;

(c) "Amalgamated Company" shall have the meaning set forth in Clause 1.1;

(d) "Amalgamating Company 1 ESOP Plans" means collectively the ESOP 1, ESOP 2, ESOP 3, ESOP 4, ESOP 5, ESOP 6, ESOP 7, ESOP 8 and ESOP 9;

(e) "Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company, each having a face value of ₹ 10 (Rupees Ten) and one vote per equity share;

(f) "Amalgamating Companies" shall have the meaning set forth in Clause 2, and "Amalgamating Company" shall mean any one of them, as the case may be;

(g) "Amalgamating Company 1" shall have the meaning set forth in Clause 1.2;

(h) "Amalgamating Company 2" shall have the meaning set forth in Clause 1.3;

(i) "Amalgamating Company 3" shall have the meaning set forth in Clause 1.4;

(j) "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and / or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;

(k) "Appointed Date" means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative;

(l) "Board" in relation to each of the Amalgamating Companies and the Amalgamated Company, as the case may be, means the board of directors of such company;

(m) "BR Act" shall have the meaning set forth in Clause 1.1;

(n) "CCI" means the Competition Commission of India;

(o) "CCI Approval" means the approval granted by the CCI to the Amalgamation in accordance with the provisions of the Competition Act, 2002, and the relevant rules and regulations thereunder;

(p) "CFCL" shall have the meaning set forth in Clause 1.4;

(q) "Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment or amendments thereof for the time being in force;

(r) "Effective Date" means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

(s) "Eligible Employees" means the employees of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3, who are entitled to the Amalgamating Company 1 ESOP Plans established by the Amalgamating Company 1, to whom, as on the Effective Date, options of the Amalgamating Company 1 have been granted, irrespective of whether the same are vested or not;

(t) "Employees" means all the employees of the respective Amalgamating Companies (as may be applicable) as on the Effective Date;

(u) "Encumbrance" or "Encumbered" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;

(v) "ESOP 1" means the Amalgamating Company 1 employee stock option plan 2007, as approved by the Board and shareholders of the Amalgamating Company 1;

(w) "ESOP 2" means the Amalgamating Company 1 employee stock option plan 2008, as approved by the Board and shareholders of the Amalgamating Company 1;

(x) "ESOP 3" means the Amalgamating Company 1 employee stock option plan 2009, as approved by the Board and shareholders of the Amalgamating Company 1;

(y) "ESOP 4" means the Amalgamating Company 1 employee stock option plan 2011, as approved by the Board and shareholders of the Amalgamating Company 1;

(z) "ESOP 5" means the Amalgamating Company 1 employee stock option plan 2012, as approved by the Board and shareholders of the Amalgamating Company 1;

(aa) "ESOP 6" means the Amalgamating Company 1 employee stock option plan 2014, as approved by the Board and shareholders of the Amalgamating Company 1;

(bb) "ESOP 7" means the Amalgamating Company 1 employee stock option plan 2016, as approved by the Board and shareholders of the Amalgamating Company 1;

(cc) "ESOP 8" means the Amalgamating Company 1 employee stock option plan 2017, as approved by the Board and shareholders of the Amalgamating Company 1;

(dd) "ESOP 9" means the Amalgamating Company 1 CMD employee stock option plan 2017, as approved by the Board of the Amalgamating Company 1 and subject to the approval of the shareholders of the Amalgamating Company 1;

(ee) "Existing Employees Stock Option Plan" means the Amalgamated Company employee stock option scheme 2015 established by the Amalgamated Company as per the SEBI (Share Based Employee Benefits) Regulations, 2014;

(ff) "Governmental Authority" means any governmental or statutory authority, government department, agency, commission, board tribunal or court or other entity authorized to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction or any state or other sub-division thereof or any municipality, district or other sub-division thereof having jurisdiction pursuant to Applicable Law, including the RBI, SEBI (as defined hereinafter) and the CCI;

(gg) "Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

(hh) "Liabilities" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of a Amalgamating Company, including all

secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), and undertakings of a Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge;

(ii) "LODR" means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;

(jj) "New Equity Shares" shall have the meaning set forth in Clause 11.1;

(kk) "NHB" means the National Housing Bank;

(ll) "NHB Control Directions" means the Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, dated February 9, 2017;

(mm) "Person" means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his / her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

(nn) "Proceedings" shall have the meaning set forth in Clause 15;

(oo) "Record Date" means the date to be fixed by the Boards of the Amalgamated Company in consultation with the Amalgamating Company 1 for the purpose of determining the equity shareholders (members) of the Amalgamating Company 1, to whom Amalgamated Company Shares will be allotted pursuant to this Scheme;

(pp) "Registrar of Companies" means the Registrar of Companies, Mumbai and / or the Registrar of Companies, Chennai, Tamil Nadu, having jurisdiction over the Amalgamated Company and the Amalgamating Companies, as may be applicable;

(qq) "RBI" shall have the meaning set forth in Clause 1.2;

(rr) "RBI Amalgamation Directions" means the RBI Master Direction – Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016;

(ss) "RBI Approval" means the Scheme being approved by the RBI pursuant to the RBI Amalgamation Directions;

(tt) "Scheme" means this composite scheme of amalgamation, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, in its present form (along with any annexures, schedules, etc., attached hereto), with such modifications and amendments as may be made from time to time in accordance with the terms hereof and with appropriate approvals including approvals of the shareholders / creditors and sanctions from the Tribunals or any Governmental Authority as may be required under the Companies Act and under all Applicable Laws;

(uu) "SEBI" means the Securities and Exchange Board of India;

(vv) "SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by the SEBI Circular dated January 3, 2018, and includes any amendments and clarifications thereto issued by SEBI from time to time;

(ww) "Share Exchange Ratio" shall have the meaning set forth in Clause 11.1 hereof;

(xx) "Stock Exchanges" shall have the meaning set forth in Clause 1.1;

(yy) "Stock Exchange Approval" means the no-objection / observation letter obtained by the Amalgamating Company 1 and the Amalgamated Company from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulation 37 of the LODR and the SEBI Circular;

(zz) "Tax" or "Taxes" means: (a) all forms of direct tax and indirect tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; and (b) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

(aaa) "Tax Authority" means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or Person responsible for Tax;

(bbb) "Transferee Stock Option Plan" shall have the meaning set forth in Clause 17.1;

(ccc) "Tribunal(s)" means the National Company Law Tribunal, Mumbai Bench, and/or National Company Law Tribunal, Chennai Bench and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Companies Act; and

(ddd) "Undertaking" means the entire business of each of the respective Amalgamating Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, Liabilities, duties, obligations and Employees as on the Appointed Date including, but not in any way limited to, the following:

(i) All the assets and properties (tangible or intangible, moveable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self assessment tax, withholding tax credits, any tax refunds and credits, minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits (including claims for carried forward tax losses and unabsorbed tax depreciation) advantages, privileges, exemptions, credits, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;

(ii) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease, license and business arrangements), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax benefits, subsidies, concessions, grants, rights, claims, leases, licenses, right to use and / or access, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;

(iii) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Amalgamating Company's business activities and operations.

(iv) Amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.

(v) Right to any claim not preferred or made by the Amalgamating Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, tax holidays, credits, etc. under the Income Tax Act, sales tax, value added tax, service tax, custom duties and goods and service tax or any other or like benefits under the said acts or under and in accordance with any law or act, in India.

(vi) All debts (secured and unsecured), loans (whether denominated in Indian rupees or a foreign currency), deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Liabilities including tax

liabilities, contingent liabilities, debentures, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Amalgamation and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;

(vii) All other obligations of whatsoever kind, including Liabilities of the Amalgamating Company with regard to their Employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and / or permits; and

(viii) All Employees as on the Effective Date.

5.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

5.3 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;

5.4 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

5.5 Any reference to any statute or statutory provision shall include:

(a) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.6 Words denoting the singular shall include the plural and words denoting any gender shall include all genders. Words of either gender shall be deemed to include all the other genders.

5.7 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" shall be construed to be a reference to the Effective Date.

5.8 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

5.9 Words directly or indirectly mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and direct or indirect have the correlative meanings.

5.10 The words "include" and "including" are to be construed without limitation.

5.11 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.

5.12 Any reference to the Preamble, Recital, Clause or Schedule shall be a reference the Preamble to, or Recital, Clause or Schedule of this Scheme.

6. DATE OF TAKING EFFECT OF THE SCHEME

6.1 The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The various Parts of the Scheme shall be deemed to have taken effect in the following sequence:

(a) Firstly, Part C of the Scheme (relating to amalgamation of Amalgamating Company 1 into Amalgamated Company) shall be deemed to have taken effect, prior to Part D of the Scheme;

(b) Subsequently, Part D of the Scheme (relating to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company) shall be deemed to have taken effect, after Part C of the Scheme.

6.2 The amalgamation of Amalgamating Companies with Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

7. SHARE CAPITAL

7.1 Amalgamated Company

(a) The share capital structure of the Amalgamated Company as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
5,00,00,00,000 equity shares of ₹ 10 each	50,00,00,00,000
Total	50,00,00,00,000
Issued Share Capital	**Amount in Rupees**
3,40,26,76,128 equity shares of ₹ 10 each	34,02,67,61,280
Total	34,02,67,61,280
Subscribed and Paid Up Share Capital	**Amount in Rupees**
3,40,26,76,128 equity shares of ₹ 10 each	34,02,67,61,280
Total	34,02,67,61,280

(b) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.

(c) The Amalgamated Company has outstanding employee stock options under its existing employee stock option scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company.

7.2 Amalgamating Company 1

(a) The share capital structure of the Amalgamating Company 1 as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
11,30,00,000 equity shares of ₹ 10 each	1,13,00,00,000
Total	1,13,00,00,000
Issued Share Capital	**Amount in Rupees**
9,88,90,084 equity shares of ₹ 10 each	98,89,00,840
Total	98,89,00,840
Subscribed and Paid Up Share Capital	**Amount in Rupees**
9,88,90,084 equity shares of ₹ 10 each	98,89,00,840
Total	98,89,00,840

(b) The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges.

(c) The Amalgamating Company 1 has outstanding employee stock options under its existing employee stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1 and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1.

7.3 Amalgamating Company 2

(a) The share capital structure of the Amalgamating Company 2 as on December 31, 2017, is as under:

Authorized Share Capital	**Amount in Rupees**
15,00,00,000 equity shares of ₹ 10 each	1,50,00,00,000
Total	1,50,00,00,000
Issued Share Capital	**Amount in Rupees**
13,77,33,079 equity shares of ₹ 10 each	1,37,73,30,790
Total	1,37,73,30,790
Subscribed and Paid Up Share Capital	**Amount in Rupees**
13,77,33,079 equity shares of ₹ 10 each	1,37,73,30,790
Total	1,37,73,30,790

(b) As on December 31, 2017, the Amalgamating Company 2 has no outstanding stock options exercisable into equity shares;

7.4 Amalgamating Company 3

(a) The share capital structure of the Amalgamating Company 3 as on December 31, 2017 is as under:

Authorized Share Capital	**Amount in Rupees**
6,20,00,000 equity shares of ₹ 10 each	62,00,00,000
38,00,000 preference shares of ₹ 100 each	38,00,00,000
Total	**1,00,00,00,000**
Issued Share Capital	**Amount in Rupees**
5,53,55,600 equity shares of ₹ 10 each	55,35,56,000
12,00,000 preference shares of ₹ 100 each	12,00,00,000
Total	**67,35,56,000**
Subscribed and Paid Up Share Capital	**Amount in Rupees**
5,53,55,600 equity shares of ₹ 10 each	55,35,56,000
12,00,000 preference shares of ₹ 100 each	12,00,00,000
Total	**67,35,56,000**

(b) As on December 31, 2017, the Amalgamating Company 3 has no outstanding stock options exercisable into equity shares.

8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES WITH THE AMALGAMATED COMPANY

Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, (i) the Amalgamating Company 1, and (ii) the Amalgamating Company 2 and Amalgamating Company 3, shall stand amalgamated into the Amalgamated Company and their respective Undertaking shall, pursuant to the sanction of the Scheme by the Tribunals and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

PART C

AMALGAMATION OF THE AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9. TRANSFER AND VESTING OF ASSETS OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9.1 Without prejudice to the generality of Clause 8 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 1, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company 1 shall, subject to the provisions of this Clause 9 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

9.2 In respect of such of the assets of the Amalgamating Company 1 as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 1, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

9.3 In respect of such of the assets belonging to the Amalgamating Company 1 other than those mentioned in Clause 9.2 above, the same shall, as more particularly provided in Clause 8 above, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

9.4 All assets, rights, titles or interests acquired by the Amalgamating Company 1 after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

10. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

10.1 Upon coming into effect of this Scheme, all Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of the Amalgamating Company 1, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 1 and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

10.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 1 as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 1 on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

10.3 Upon the coming into effect of the Scheme, all Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 1 from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the Liabilities, loans, duties and obligations of the Amalgamated Company.

10.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a Liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 1 and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either Amalgamating Company 1 and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

10.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company 1 which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

10.6 The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company 1 transferred to and vested in the Amalgamated Company by virtue of the Scheme.

10.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

10.8 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Liabilities transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.

10.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

11. CONSIDERATION

11.1 Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the whole of the Undertaking of Amalgamating Company 1 in the Amalgamated Company pursuant to Part C of this Scheme, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of Amalgamating Company 1 whose names are recorded in the register of members as a member of the Amalgamating Company 1 on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Amalgamated Company) 139 (One Hundred and Thirty Nine) Amalgamated Company Shares, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of ₹ 10 (Rupees Ten) each fully paid-up held by such member in the Amalgamating Company 1 ("Share Exchange Ratio"). The Amalgamated Company Shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company 1 in accordance with this Clause 11.1 shall be hereinafter referred to as "New Equity Shares". The New Equity Shares to be issued and allotted by the Amalgamated Company shall be subject to adjustments to take into account any corporate actions mutually agreed between Amalgamating Company 1 and the Amalgamated Company prior to the Effective Date.

11.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company 1, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company 1 and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transaction period.

11.3 Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of Amalgamating Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.

11.4 The New Equity Shares of Amalgamated Company allotted and issued in terms of Clause 11.1 above, shall be listed and / or admitted to trading on the relevant Stock Exchanges, where the equity shares of Amalgamated Company are listed and / or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the relevant Stock Exchanges.

11.5 Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of Amalgamating Company 1 whose names appear on the register of members as a member of the Amalgamating Company 1 on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company 1 in the records of the depositories / register of members, as the case may be, as on the Record Date, the equity shares of Amalgamating Company 1, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, Amalgamated Company may, instead of requiring the surrender of the share certificates of Amalgamating Company 1, directly issue and dispatch the new share certificates of Amalgamated Company in lieu thereof.

11.6 The New Equity Shares of Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company 1 as provided in sub-Clause 11.1 above shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank pari-passu in all respects with Amalgamated Company Shares

after the Effective Date including in respect of dividend, if any, that may be declared by Amalgamated Company on or after the Effective Date.

11.7 The issue and allotment of New Equity Shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under the Companies Act and any other applicable provisions of the Companies Act, and such other statues and regulations as may be applicable were duly complied with.

11.8 If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 11.1 above, the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company (the "Trustee"), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company 1 in proportion to their respective fractional entitlements.

11.9 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the New Equity Shares issued to the members of the Amalgamating Company 1 by the Amalgamated Company shall be in issued in dematerialized form by the Amalgamated Company, provided that the details of the depository accounts of the members of the Amalgamating Company 1 are made available to the Amalgamated Company by the Amalgamating Company 1 at least 2 (Two) working days prior to the Effective Date. In the event that such details are not available with the Amalgamated Company, it shall issue the New Equity Shares to the members of the Amalgamating Company 1 in physical form.

11.10 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1 as are subject to lock-in pursuant to Applicable Law, shall remain locked-in as required under Applicable Law.

11.11 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

12. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 1 with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

13. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

13.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible or for the obligations of which the Amalgamating Company 1 may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company 1 occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 1 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part C of this Scheme, be deemed to be authorized to execute

any such writings on behalf of any of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.

13.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1 shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

13.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 1 in any properties including leasehold/licensed properties of the Amalgamating Company 1, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

13.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 1 and the Amalgamated Company, that have not been completed, shall stand cancelled.

14. TAXATION MATTERS

14.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 1, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 1, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

14.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

14.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 1, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any Taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company 1 shall be deemed to be advance tax paid by the Amalgamated Company.

15. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Amalgamating Company 1 in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 1 or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 1, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 1.

16. EMPLOYEES OF AMALGAMATING COMPANY 1

16.1 All Employees of the Amalgamating Company 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 1 immediately preceding the Effective

Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 1 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 1 shall also be taken into account by the Amalgamated Company.

16.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

16.3 It is provided that as far as the provident fund, gratuity fund and pension and / or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 1 in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 1 for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 1 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 1 in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 1 and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

17. EMPLOYEE STOCK OPTION PLAN

17.1 In respect of stock options granted by the Amalgamating Company 1 under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to the Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 either under its Existing Employees Stock Option Plan or a revised stock option plan for the employees of the Amalgamated Company and the Eligible Employees or under a separate employee stock option plan created by the Amalgamated Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("Transferee Stock Option Plan").

17.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees under the Amalgamating Company 1 ESOP Plans shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by an Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

17.3 The grant of options to the Eligible Employees pursuant to Clause 17.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

17.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been

held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

17.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

PART D

AMALGAMATION OF THE AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18. TRANSFER AND VESTING OF THE RESPECTIVE ASSETS OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18.1 Without prejudice to the generality of Clause 8 above, upon coming into effect of the Scheme and with effect from the Appointed Date (after Part C is deemed to have taken effect), and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 2 and Amalgamating 3, respectively, of whatsoever nature and wherever situate, whether or not included in the respective books of Amalgamating Company 2 and Amalgamating 3, respectively, shall, subject to the provisions of this Clause 18 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

18.2 In respect of such of the assets of Amalgamating Company 2 and Amalgamating Company 3, respectively, as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 2 and Amalgamating Company 3, respectively, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

18.3 In respect of such of the assets belonging to the Amalgamating Company 2 and Amalgamating Company 3, respectively, other than those mentioned in Clause 18.2 above, the same shall, as more particularly provided in Clause 18.1 above, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Companies Act.

18.4 All assets, rights, titles or interests acquired by the Amalgamating Company 2 and Amalgamating Company 3, respectively, after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

19. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

19.1 Upon coming into effect of this Scheme, all the Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of Amalgamating Company 2 and the undertaking of Amalgamating Company 3, respectively, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 2 and Amalgamated Company 3, respectively, and the Amalgamated Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

19.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 2 and Amalgamating Company 3 respectively, on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

19.3 Upon the coming into effect of the Scheme, all the Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 2 and Amalgamating Company 3, respectively, from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the Liabilities, loans, duties and obligations of the Amalgamated Company.

19.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a Liability including contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 2 and Amalgamating Company 3, respectively. and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company 2 and Amalgamating Company 3 respectively, and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

19.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

19.6 The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the respective assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 transferred to and vested in the Amalgamated Company by virtue of the Scheme.

19.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

19.8 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Liabilities transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.

19.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

20. CONSIDERATION

No consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company, and the securities held by the Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively, (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Amalgamating Company 1 with the Amalgamated Company) shall stand cancelled without any further act, application or deed. As the Amalgamating Company 2 and Amalgamating Company 3 are wholly-owned subsidiaries of the Amalgamated Company, no consideration shall be payable pursuant to the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3, respectively, into the Amalgamated Company, and the securities held by the Amalgamated Company in Amalgamating Company 2 and Amalgamating Company 3, shall stand cancelled without any further act, application or deed.

21. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 2 and Amalgamating

Company 3, respectively, with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

22. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

22.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or to the benefit of which Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be eligible or for the obligations of which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2 and Amalgamating Company 3, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

22.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of each of the Amalgamating Company 2 and Amalgamating Company 3 occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part D of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 2 and the Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 and the Amalgamating Company 3 to be carried out or performed.

22.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

22.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 2 and Amalgamating Company 3 in any properties including leasehold/ licensed properties of the Amalgamating Company 2 and Amalgamating Company 3, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

22.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 2 and the Amalgamating Company 3, respectively, with the Amalgamated Company, that have not been completed, shall stand cancelled,

23. TAXATION MATTERS

23.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 2 and Amalgamating Company 3, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 2 and Amalgamating Company 3, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

23.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

23.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 2 and the Amalgamating Company 3, respectively, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any Taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company 2 and Amalgamating Company 3, respectively, shall be deemed to be advance tax paid by the Amalgamated Company.

24. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other Proceedings by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 2 and Amalgamated Company 3.

25. EMPLOYEES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3

25.1 All Employees of the Amalgamating Company 2 and Amalgamation Company 3, respectively, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 2 and Amalgamating Company 3, respectively, immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 2 and Amalgamating Company 3, respectively, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 2 and Amalgamating Company 3 shall also be taken into account by the Amalgamated Company.

25.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

25.3 It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 2 and Amalgamated Company 3, respectively, in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 2 and Amalgamated Company 3, respectively, for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 2 and Amalgamating Company 3 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 2 and Amalgamating Company 3, respectively, and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

26. EMPLOYEE STOCK OPTION PLAN

26.1 In respect of stock options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to such Eligible Employees taking into

account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 under the Transferee Stock Option Plan.

26.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to such Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by such Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to such Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

26.3 The grant of options to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 pursuant to Clause 26.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

26.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by such Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

26.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

PART E

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

27. APPROVAL OF MEMBERS OF THE AMALGAMATING COMPANIES AND AMALGAMATED COMPANY

Each of the Amalgamating Companies and the Amalgamated Company undertake that the approval of the members of each of the Amalgamating Companies and the Amalgamated Company, respectively, shall be sought for the Scheme, in a meeting of such members with voting occurring through postal ballot and e-voting as may be applicable under the Companies Act and the SEBI Circular. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme including valuation report obtained by the Amalgamating Company 1 and the Amalgamated Company from Walker Chandiok & Co. LLP and S. R. Batliboi & Co. LLP and fairness opinion obtained from JM Financial Institutional Securities Limited and Kotak Mahindra Capital Company Limited, respectively, the complaints report and the observation letters received from the Stock Exchanges and such other documents / information as prescribed under the SEBI Circular.

28. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

28.1 The Amalgamating Companies and the Amalgamated Company have agreed that during the period between the approval of the Scheme by the respective Boards of the Amalgamating Companies and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Companies and the Amalgamated Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

28.2 With effect from the Appointed Date and up to and including the Effective Date:

(a) each of the Amalgamating Companies shall and shall be deemed to have been carrying on all business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Amalgamated Company;

(b) all profits and income accruing to each of the Amalgamating Companies, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of each of the Amalgamating Companies shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;

(c) any of the rights, powers, authorities, privileges exercised by each of the Amalgamating Companies shall be deemed to have been exercised by such Amalgamating Companies for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by each of the Amalgamating Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and

(d) all assets acquired and all Liabilities incurred by each of the Amalgamating Companies after the Appointed Date but prior to the Effective Date shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Amalgamated Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture holders.

29. DIVIDENDS

29.1 The Amalgamated Company and each of the Amalgamating Companies shall be entitled to declare and pay dividends, whether interim or final, to their shareholders, as per their respective dividend policies consistent with past practice in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamating Companies and the Amalgamated Company and prior to the Effective Date.

29.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Amalgamating Companies and/or the Amalgamated Company to demand or claim any dividends which, subject to Clause 29.1 and the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Amalgamating Companies and/or Amalgamated Company, as the case may be, and subject, wherever necessary, to the approval of the respective shareholders.

30. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of each of the Amalgamating Companies pursuant to this Scheme, and the continuance of Proceedings under Clauses 15 and 24 above shall not affect any transaction or Proceedings already concluded by any of the Amalgamating Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Companies in respect thereto, as if done and executed on its behalf.

31. COMBINATION OF AUTHORISED CAPITAL

31.1 Upon this Scheme becoming effective, the authorized share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of each of the Amalgamating Companies amounting to ₹ 363,00,00,000 (Rupees Three Hundred and Sixty Three Crores Only) and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 232 or any other applicable provisions of the Companies Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of each of the Amalgamating Companies shall be utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and / or fee by the Amalgamated Company for increase in the authorized share capital to that extent.

31.2 Pursuant to the Scheme becoming effective and consequent upon the Amalgamation of the Amalgamating Companies into the Amalgamated Company, the authorized share capital of the Amalgamated Company will be as under:

AUTHORISED SHARE CAPITAL:	**(₹)**
5,32,50,00,000 equity shares of ₹ 10 each	53,25,00,00,000
38,00,000 preference shares of ₹ 100 each	38,00,00,000
Total	53,63,00,00,000

31.3 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum and articles of association of the Amalgamated Company as may be required under the Companies Act, and Clause V of the memorandum of association of the Amalgamated Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorized Share Capital of the Company is ₹ 53,63,00,00,000 (Rupees Five Thousand Three Hundred and Sixty Three Crore only) divided into 5,32,50,00,000 (Five Hundred and Thirty Two Crore Fifty Lakh) Equity Shares of ₹ 10 (Rupees Ten) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of ₹ 100 (Rupees One Hundred) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

31.4 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of New Equity Shares in accordance with the Scheme. It is clarified that no special resolution under Section 62 of the Companies Act, shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of the New Equity Shares to the members of the Amalgamating Company 1 under this Scheme and for the members of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the New Equity Shares to the members of the Amalgamating Company 1 in terms of the Scheme.

32. DISSOLUTION OF THE AMALGAMATING COMPANIES

On the Scheme becoming effective, each of the Amalgamating Companies shall stand dissolved without being wound-up. On and with effect from the Effective Date, the name of the Amalgamating Companies shall be struck off from the records of the appropriate Registrar of Companies. The Amalgamated Company shall make necessary filings in this regard.

33. APPLICATIONS / PETITIONS TO THE TRIBUNALS AND APPROVALS

33.1 Each of the Amalgamating Companies and the Amalgamated Company, respectively, shall, with all reasonable dispatch, make and file all applications under Sections 230 to 232 read with other applicable provisions of the Companies Act, to the respective Tribunals, for sanction of this Scheme and for dissolution of Amalgamating Companies.

33.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Amalgamated Company may require to own the Undertaking and to carry on the business of each of the Amalgamating Companies.

34. MODIFICATIONS / AMENDMENTS TO THE SCHEME

34.1 The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other Person or Persons, as the respective Boards may authorize, including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority, whether in pursuance of a change in Applicable Law or otherwise. The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other person or persons, as the respective Boards may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

34.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Amalgamating Companies and / or the Amalgamated Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

35. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of each of the Amalgamating Companies as are considered necessary by the Board of Amalgamated Company which are validly subsisting be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

36. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the receipt of the following approvals:

(a) the RBI Approval;

(b) the Stock Exchanges Approval;

(c) the CCI Approval;

(d) NHB approval for change in control / management of Amalgamating Company 2 in terms of the NHB Control Directions;

(e) approval from SEBI, the Stock Exchanges and / or National Securities Depository Limited, as may be required;

(f) receipt of approval from the RBI under Section 12B of the BR Act, New Bank Guidelines and the RBI Master Directions – Ownership in Private Sector Banks, Directions 2016, for the parent company of the Amalgamating Company 1 to be allotted 5% or more shares in the Amalgamated Company pursuant to the Transaction;

(g) this Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant Tribunals;

(h) the Scheme having been approved by the relevant Tribunals and the Amalgamating Companies and the Amalgamated Company having received a certified true copy of order of the Tribunals approving the Scheme;

(i) certified copes of the order of the Tribunals approving the Scheme being filed with the Registrar of Companies;

(j) due compliance with any condition(s) stipulated by the RBI and / or any other relevant Governmental Authority prior to the effectiveness of the Amalgamation;

(k) divestment by the Amalgamating Company 3 of its entire shareholding in CFCL; and

(l) such other conditions as may be mutually agreed between the Amalgamating Company 1 and the Amalgamated Company.

37. EFFECT OF NON-SATISFACTION OF THE CONDITIONS / NON RECEIPT OF APPROVALS / SANCTIONS

37.1 In the event of any of the said approvals referred to in Clause 36 above not being obtained and / or complied with and / or satisfied and / or this Scheme not being sanctioned by the respective Tribunal and / or order or orders not being passed as aforesaid before the expiry of 15 (Fifteen) months from the date of approval of the Scheme by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect. Provided that, in case of non-satisfaction of any other conditions precedent, the Amalgamating Company 1 and the Amalgamated Company shall proceed in such manner as may be mutually agreed between them.

37.2 If any provision of this Scheme hereof is invalid, ruled illegal by either Tribunal, or unenforceable under present or future Applicable Laws, then such provision (so far as it is invalid or unenforceable) shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either any of the Amalgamating Companies or the Amalgamated Company, then in such case the Amalgamating Companies and the Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such provision.

37.3 If any proposed modification / amendment to this Scheme under Clause 34.1, materially adversely affects the interest of any of the Amalgamating Companies or the Amalgamated Company, then such modification / amendment shall not be binding on such affected party, and such party shall have the right to withdraw the Scheme.

37.4 The Amalgamating Companies and the Amalgamated Company, acting through their respective Boards, may mutually agree in writing to withdraw this Scheme from the Tribunals.

38. COSTS AND EXPENSES

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of the Amalgamating Companies and the Amalgamated Company in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by such Amalgamating Companies and the Amalgamated Company, till the Effective Date.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

VALUATION REPORT

To
The Board of Directors

13 January 2018

IDFC Bank Limited
Naman Chambers C-32,
G-Block Bandra-Kurla Complex,
Bandra East, Mumbai - 400051,
Maharashtra, India.

Sub: Recommendation of fair exchange ratio for the proposed merger of Capital First Limited into IDFC Bank Limited

Dear Sir / Madam,

We refer to the engagement letter whereby, IDFC Bank Limited (hereinafter referred to as "IBL") has appointed S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC" or "Valuer" or "We") for recommendation of fair exchange ratio of equity shares for the proposed merger of Capital First Limited ("CFL") into IBL ("Proposed Merger"), based on the discussions that we have had with and information that we have received from the representatives and Management of IBL ("Management") from time to time in the above matter.

IBL and CFL are hereinafter jointly referred to as the "Companies".

SCOPE AND PURPOSE OF THIS REPORT

IBL is primarily engaged in providing banking services in India. The equity shares of IBL are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange in India ("NSE"). IBL was incorporated in 2014. IBL had reported consolidated total income and profit after tax of INR 9,597.4 crores and INR 1,018.7 crores respectively, for the year ended 31 March 2017.

CFL is a Non –Deposit Accepting Non-Banking Financial Company ("NBFC") which provides loans for property, business, personal loans, two-wheeler loans, consumer durable loans, and pre-owned car loans. The equity shares of CFL are listed on BSE and NSE. CFL was incorporated in 2005. CFL had reported consolidated total income and net profit after tax of INR 2,800.9 crores and INR 238.9 crores respectively for the year ended 31 March 2017.

Capital First Home Finance Limited ("CFHFL") a 100% subsidiary of CFL, is engaged in the business of housing finance. CFHFL was incorporated in 2010 and is headquartered in Mumbai. CFHFL had reported total income and net profit after tax of INR 71.2 crores and INR 6.4 crores respectively for the year ended 31 March 2017.

Capital First Securities Limited ("CFSL"), another 100% subsidiary of CFL provides business advisory, business support services and loan syndication. CFSL was incorporated in 2007 and is based in Mumbai. CFSL had reported total income and net profit after tax of INR 14.9 crores and INR 14.3 crores respectively for the year ended 31 March 2017.



S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

We understand that the Management is contemplating the merger of CFL, CFHFL and CFSL into IBL ("Proposed Merger") under a composite scheme of Arrangement and Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and The Companies Rules 2016. Since, CFHFL and CFSL are wholly owned operating subsidiaries of CFL, no separate shares will issued to the shareholders of CFL. Accordingly, as a consideration for this Transaction, equity shareholders of CFL would be issued equity shares of IBL.

For the aforesaid purpose, the Board of Directors of IBL has appointed SRBC to recommend a fair exchange ratio, for the issue of IBL's equity shares to the equity shareholders of CFL, to be placed before the Audit Committee/Board of Directors of IBL.

Our appointment was formalized via engagement letter dated 12 January 2018, however, the work had started earlier.

The Board of Directors of CFL has appointed another independent valuer, Walker Chandiok & Co. LLP, Chartered Accountants ("WCC"), to recommend a fair exchange ratio, for the issue of IBL's equity shares to the equity shareholders of CFL, to be placed before the Audit Committee/Board of Directors of CFL. We and WCC have received information and clarification from or on behalf of their respective clients. We and WCC have independently arrived at different values per share of the Companies. However, to arrive at the consensus on the fair exchange ratio for the Proposed Merger, appropriate rounding off adjustments have been done.

We understand that the appointed date for the merger is 01 April 2018 or such other date as approved by the Courts.

The scope of our services is to conduct a relative (and not absolute) valuation of equity shares of the Companies and report a fair exchange ratio for the Proposed Merger in accordance with generally accepted professional standards.

We have been provided with audited financial statements and other financial information of IBL and CFL for the year ended 31 March 2017 and latest available half yearly result of respective companies. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, the Management has informed us that all material information impacting the Companies have been disclosed to us.

The Management has informed us that:

(a) There would not be any capital variation in the Companies till the Proposed Merger becomes effective without approval of the shareholders other than on account of existing ESOP Scheme which would not be material;

(b) Neither Companies would declare any dividend which are either materially different than those declared in the past few years or having materially different yields.

(c) There are no unusual/abnormal events in both the Companies since the last quarterly results were declared till the Report Date materially impacting their operating/financial performance.

We have relied on the above while arriving at the fair exchange ratio for the Proposed Merger.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information about the Companies as received from the Management and/or gathered from public domain:

- Annual reports for the year ended 31 March 2017 and earlier periods for IBL and CFL;
- Unaudited (limited reviewed) results for the half year ended 30 September 2017 for IBL and CFL;
- List of outstanding ESOPs for various plans with respective exercise price for the Companies
- Other relevant information

Besides the above listing, there may be other information provided by the Client which may not have been perused by us in any detail, if not considered relevant for our defined scope.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. IBL has been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (physical/over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - SRBC' internal transactions database
    - Proprietary databases subscribed by us
- Selection internationally accepted valuation methodology/ (ies) as considered appropriate by us.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 8 January 2018 ('Valuation Date'). We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the audited financial statements of IBL and CFL as at 31 March 2017 and unaudited (limited reviewed) financial results for the quarter and six months ended 30 September 2017. The Management has represented that the business activities of IBL and CFL have been carried out in the normal and ordinary course between 30 September 2017 and the Valuation date and that no material changes have occurred in their respective operations and financial position between 30 September 2017 and the Valuation date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by IBL and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the exchange ratio of the equity shares of IBL and CFL. The final responsibility for the determination of the exchange ratio at which the Proposed Merger shall take place will be with the Board of Directors of IBL who should take into account other factors such as their own assessment of the Proposed Merger and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section - Sources of Information.



We have not independently investigated or otherwise verified the financial information provided by IBL. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from IBL, we have been given to understand by the Management of IBL that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of IBL. The Management of IBL has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that IBL and CFL comply fully with relevant laws and regulations applicable in all its areas of operations, and that IBL and CFL will be managed in a competent and responsible manner. Further, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The report does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to IBL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement and Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

SHAREHOLDING PATTERN

IDFC Bank Limited

The issued and subscribed equity share capital of IBL as at 30 September 2017 is INR 3401.9 Crores consisting of 3,40,18,82,609 equity shares of face value of INR 10 each.
The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No of Shares	% Share Holding
Promoter & Group	1,79,75,12,668	52.8%
Public- Institutions	1,04,30,23,094	30.7%
Public- Non Institutions	56,13,46,847	16.5%
Grand Total	3,40,18,82,609	100.0%

Source: BSE filing

Capital First Limited

The issued and subscribed equity share capital of CFL as at 30 September 2017 is INR 97.82 Crores consisting of 9,78,24,594 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No of Shares	% Share Holding
Promoter & Group	3,51,85,602	36.0%
Public- Institutions	3,66,30,431	37.4%
Public- Non Institutions & others	2,60,08,561	26.6%
Grand Total	9,78,24,594	100.00%

Source: BSE filing

APPROACH - BASIS OF MERGER

The Proposed Scheme of Amalgamation contemplates the merger of CFL into IBL. Arriving at the fair exchange ratio for the Proposed Merger of CFL into IBL would require determining the relative value of the equity shares of CFL and the equity shares of IBL. These values are to be determined independently, but on a relative basis for both the Companies.

There are several commonly used and accepted methods for determining the fair exchange ratio for the Proposed Merger of CFL into IBL, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with

changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price Method

The market price of an equity share as quoted on a stock exchange, where the shares regularly and freely traded in, is normally considered as the value of the equity shares of that company. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of the Companies are listed on BSE and NSE. The share price observed on NSE for the respective Companies over a reasonable period have been considered for arriving at the value per share of the Companies under the market price method.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have considered Price to Book (P/BV) multiple and Price to Earnings (P/E) multiple of the comparable listed companies for the purpose of our valuation.

The total value of equity shareholders is then divided by the number of diluted equity shares (considering impact of ESOPs outstanding) for arriving at the value per equity share of the Companies under CCM method.

Discounted Cash Flows ("DCF") Method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:



Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

We have not used DCF method as the Management has not provided us with the financial projections.

Net Asset Value ("NAV") Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach may be used in cases where the assets base dominates the earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

We have not used NAV method as it does not capture the earning capacity of the business and hence NAV would not be representative of fair value.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- The equity shares of IBL and CFL are frequently traded on both the stock exchanges, BSE & NSE in India.
- Key operating / financial parameters of Companies vis-à-vis its comparable companies.

BASIS OF FAIR EXCHANGE RATIO

The basis of the Transaction of CFL into IBL would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the recommending the fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of IBL and CFL but at their relative values to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of IBL and CFL based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of IBL and CFL, having regard to information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of IBL and CFL.

The computation of fair exchange ratio is tabulated below:

Valuation Approach	IBL		CFL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	44.4	0%	251.5	0%
Market Approach – Market Price method	55.8	50%	785.2	50%
Income Approach – Comparable Companies Multiples Method	62.8	50%	860.5	50%
Relative Value per Share	59.3		822.8	
Fair Exchange Ratio (rounded off)			13.9	

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair exchange ratio for the Proposed Merger of CFL into IBL:

139 (One Hundred and Thirty Nine) equity shares of IBL of INR 10/- each fully paid up for every 10 (Ten) equity shares of CFL of INR 10/- each fully paid up.

Respectfully submitted,

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Jayesh Gandhi
Partner
Membership No: 037924

January 13, 2018

The Board of Directors
IDFC Bank Limited
Naman Chambers, 6th Floor C-32,
G-Block, Bandra-Kurla Complex
Bandra (East),
Mumbai – 400051

Dear Sirs,

Sub: Proposed merger of Capital First Limited ("CFL") with IDFC Bank Limited ("IDFC Bank" or the "Company") ("Proposed Transaction")

IDFC Bank Limited has requested us to issue a fairness opinion ("Opinion") from a financial point of view of the Swap Ratio (as defined below) in relation to the Proposed Transaction.

Proposed Transaction background: IDFC Bank Limited and Capital First Limited are proposing to enter into a composite scheme of amalgamation, which envisages the following:

- Capital First Limited, Capital First Home Finance (100% subsidiary of CFL) and Capital First Securities (100% subsidiary of CFL) ("together Capital First Group") will amalgamate with IDFC Bank Limited

Our scope is restricted to providing an Opinion on the Swap Ratio for the merger of Capital First Group with IDFC Bank.

In arriving at our Opinion, we have reviewed historical financial and listed stock price data. We have also reviewed certain publicly available information, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions. We have also reviewed the valuation report issued to IDFC Bank by S.R. Batliboi & Co. dated January 13, 2018 for the Proposed Transaction. We have also assumed that the final Swap ratio will be substantially the same in the scheme as discussed with you and reviewed by us.

We have had discussions with members of the management of IDFC Bank regarding the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from IDFC Bank dated January 12, 2018 ("Management Representation Letters").

Further, we have had discussions with S.R. Batliboi & Co., the valuation advisor, on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

Based on our examination and according to the information and explanation provided to us, we note that the Proposed Transaction entails Amalgamation of IDFC Bank and Capital First Group.

Kotak Mahindra Capital Company Limited
CIN U67120MH1995PLC134050
Registered Office:
27BKC
C - 27, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051, India.
T +91 22 43360000
F +91 22 67132445
www.investmentbank.kotak.com

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge IDFC Bank and Capital First to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Transaction would be carried out in compliance with applicable laws, rules and regulations.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of IDFC Bank or Capital First Group nor have we evaluated the solvency or fair value of IDFC Bank or Capital First Group, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of IDFC Bank or Capital First Group.

Our Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us.

We express no view as to, and our Opinion does not address, the underlying business decision of or IDFC Bank and Capital First Group to effect the Proposed Transaction or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of IDFC Bank or Capital First Group as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of the IDFC Bank or Capital First will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of IDFC Bank or Capital First may be transacted.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Opinion, and the information made available to us as of, the date hereof, including the capital structure of IDFC Bank and Capital First Group. Our opinion does not address matters such as corporate governance or shareholder rights. We have assumed the Proposed Transaction is legally enforceable.

We will receive a fee for our services in connection with the delivery of this Opinion from IDFC Bank. In addition, IDFC Bank has agreed to indemnify us from any claims arising from any material misstatements or omissions in any information supplied by IDFC Bank or in relation to our engagement in providing the Opinion.

We and our affiliates in the past have provided, and currently provide, services to IDFC Bank and Capital First and their affiliates unrelated to the Proposed Transaction for which services we and such affiliates have received and expect to receive compensation, including, without limitation as creditors and as financial advisors for the purchase/sale of assets/businesses/securities by/to IDFC Bank or Capital First (as the case may be).

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with IDFC Bank and Capital First, and their respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of IDFC Bank, and shall not confer rights or remedies upon, any shareholder of IDFC Bank, or any other person other than the members of the Board of Directors of IDFC Bank, or be used for any other purpose, except to the extent required by law. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be kept open for inspection by shareholders of IDFC Bank, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

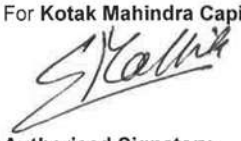
The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that, as of the date hereof, the proposed Swap Ratio is Fair from a financial point of view.

Yours faithfully,

For **Kotak Mahindra Capital Company Limited**



Authorised Signatory
Name: Sourav Mallik
Designation: Joint Managing Director

Deloitte
Haskins & Sells

Chartered Accountants
19th floor, Shapath - V,
S G Highway,
Ahmedabad - 380 015,
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDFC BANK LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **IDFC BANK LIMITED** (the "Bank") for the year ended 31 March, 2018 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the matters in Note 11 of the Statement.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related financial statements for the year ended 31 March, 2018, which are prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, in so far as applicable to banks, other accounting principles generally accepted in India and the Guidelines issued by the Reserve Bank of India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and



Deloitte
Haskins & Sells

(ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year ended 31 March, 2018.

5. The Statement includes the results for the quarter ended 31 March, 2018 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 24 April, 2018

IDFC

IDFC Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu

CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the year ended March 31, 2018 (Standalone)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2018 (refer note 13)	Quarter ended 31.12.2017	Quarter ended 31.03.2017 (refer note 13)	Year ended 31.03.2018	Year ended 31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	228130.18	228371.92	222337.74	893000.46	853271.45
	(a) Interest / discount on advances / bills	114018.17	122292.72	127351.56	472294.52	508841.82
	(b) Income on investments	106782.44	102785.55	90607.97	404130.69	328878.22
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	344.22	243.95	2191.80	827.41	5721.37
	(d) Others	6985.35	3049.70	2186.41	15747.84	9830.04
2	Other Income (refer note 6)	9304.63	23078.68	5627.35	111789.27	101311.56
3	TOTAL INCOME (1+2)	237434.81	251450.60	227965.09	1004789.73	954583.01
4	Interest Expended	182806.93	178875.57	172129.95	713190.74	651539.43
5	Operating Expenses (i)+(ii)+(iii)+(iv)	48988.83	41102.79	29810.41	165259.43	127697.64
	(i) Employees cost	18114.40	17140.46	9480.13	67597.49	57362.20
	(ii) Depreciation on bank's property	4351.57	4062.45	3664.70	16348.49	13434.42
	(iii) Professional fees	4286.68	4126.55	3803.87	15472.50	14083.15
	(iv) Other operating expenses	22236.18	15773.33	12861.71	65840.95	42817.87
6	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	231795.76	219978.36	201940.36	878450.17	779237.07
7	Operating Profit (3-6) (Profit Before Provisions and Contingencies)	5639.05	31472.24	26024.73	126339.56	175345.94
8	Provisions (other than tax) and Contingencies (Net)	24245.98	10860.79	479.66	23609.57	28250.38
9	Exceptional Items	-	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	(18606.93)	20611.45	25545.07	102729.99	147095.56
11	Tax Expense (refer note 7)	(22800.34)	6000.00	7950.01	16799.66	45121.78
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	4193.41	14611.45	17595.06	85930.33	101973.78
13	Extraordinary Items (Net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	4193.41	14611.45	17595.06	85930.33	101973.78
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 8)	340407.49	340267.61	339900.62	340407.49	339900.62
16	Reserves excluding Revaluation Reserves				1185246.35	1127904.28
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	7.68%	7.68%	7.69%	7.68%	7.69%
	(ii) Capital adequacy ratio (Basel III) (refer note 9)	18.00%	19.15%	18.90%	18.00%	18.90%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 8)					
	- Basic (₹)	0.12	0.43	0.52	2.53	3.00
	- Diluted (₹)	0.12	0.43	0.51	2.52	2.98
	(iv) NPA ratios (refer note 2 & 10)					
	(a) Amount of gross NPAs	177906.20	277666.80	154210.14	177906.20	154210.14
	(b) Amount of net NPAs	89115.77	120627.99	57647.24	89115.77	57647.24
	(c) % of gross NPAs to gross advances	3.31%	5.62%	2.99%	3.31%	2.99%
	(d) % of net NPAs to net advances	1.69%	2.52%	1.14%	1.69%	1.14%
	(v) Return on assets (annualized)	0.14%	0.49%	0.63%	0.72%	1.04%

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

IDFC

Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2018 (refer note 13)	Quarter ended 31.12.2017	Quarter ended 31.03.2017 (refer note 13)	Year ended 31.03.2018	Year ended 31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue					
	a Treasury	147732.37	157319.25	151062.72	648677.46	675299.79
	b Wholesale Banking	94219.50	113893.73	122758.72	435858.18	514464.06
	c Retail Banking	28459.47	20132.10	10109.98	78846.04	24190.27
	d Other Banking Business	318.69	248.74	86.52	803.63	115.18
	e Unallocated	4036.11	(95.85)	(45.44)	4117.58	335.92
	Total Segment Revenue	274766.14	291497.97	283972.50	1168302.89	1214405.22
	Add/(Less) : Inter Segment Revenue	(37331.33)	(40047.37)	(56007.41)	(163513.16)	(259822.21)
	Income from Operations	237434.81	251450.60	227965.09	1004789.73	954583.01
2	Segment Results After Provisions & Before Tax					
	a Treasury	18629.50	5971.02	(6053.74)	104881.81	78196.33
	b Wholesale Banking	(12249.45)	36844.81	47896.66	83475.94	142688.03
	c Retail Banking	(11326.03)	(8813.39)	(7105.19)	(33569.31)	(34024.44)
	d Other Banking Business	49.34	(25.71)	86.52	(211.36)	115.18
	e Unallocated	(13710.29)	(13365.28)	(9279.18)	(51847.09)	(39879.54)
	Total Profit Before Tax	(18606.93)	20611.45	25545.07	102729.99	147095.56
3	Segment Assets					
	a Treasury	6947360.77	6663228.70	5827057.11	6947360.77	5827057.11
	b Wholesale Banking	4532599.05	4216584.56	4765873.54	4532599.05	4765873.54
	c Retail Banking	913955.02	716513.60	375600.45	913955.02	375600.45
	d Other Banking Business	709.11	490.87	115.18	709.11	115.18
	e Unallocated	257393.93	223092.30	247319.53	257393.93	247319.53
	Total Segment Assets	12652017.88	11819910.03	11215965.81	12652017.88	11215965.81
4	Segment Liabilities					
	a Treasury	5891889.51	5597537.43	4946422.67	5891889.51	4946422.67
	b Wholesale Banking	4345150.20	4028279.63	4419976.85	4345150.20	4419976.85
	c Retail Banking	876006.93	661254.36	373779.51	876006.93	373779.51
	d Other Banking Business	211.36	260.70	-	211.36	-
	e Unallocated	13106.04	11780.37	7981.88	13106.04	7981.88
	Total Segment Liabilities	11126364.04	10299112.49	9748160.91	11126364.04	9748160.91
5	Capital Employed (Segment Assets - Segment Liabilities)	1525653.84	1520797.54	1467804.90	1525653.84	1467804.90

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India ('the RBI').

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

IDFC

Notes:

1 Statement of Assets and Liabilities of the Bank as at March 31, 2018 and March 31, 2017 is given below :

(₹ in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
CAPITAL AND LIABILITIES		
Capital	340407.49	339900.62
Employees' stock options outstanding	-	107.14
Reserves and surplus	1185246.35	1127797.14
Deposits	4819820.25	4020822.46
Borrowings	5728706.54	5026218.57
Other liabilities and provisions	577837.25	701119.88
TOTAL	12652017.88	11215965.81
ASSETS		
Cash and balances with Reserve Bank of India	305085.56	303629.08
Balances with banks and money at call and short notice	184094.18	206570.63
Investments	6120153.42	5047169.61
Advances	5216488.81	4940168.32
Fixed Assets	78413.07	78655.15
Other Assets	747782.84	639773.02
TOTAL	12652017.88	11215965.81

2 In terms of SEBI circular no. CIR/CFD/CMD/80/2017 dated July 18, 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process. The following table sets forth, details of divergence in the asset classification and provisioning as per RBI's supervisory process for the year ended March 31, 2017.

(₹ in lakhs)

	Particulars	As at 31.03.2017
1	Gross NPAs as on March 31, 2017 as reported by the bank	154210.14
2	Gross NPAs as on March 31, 2017 as assessed by RBI	181279.78
3	Divergence in Gross NPAs (2-1)	27069.64
4	Net NPAs as on March 31, 2017 as reported by the bank	57647.24
5	Net NPAs as on March 31, 2017 as assessed by RBI	77949.47
6	Divergence in Net NPAs (5-4)	20302.23
7	Provisions for NPAs as on March 31, 2017 as reported by the bank *	108212.90
8	Provisions for NPAs as on March 31, 2017 as assessed by RBI	103330.31
9	Divergence in provisioning (8-7)	-
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	101973.78
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	101973.78

* Provision for NPAs as reported by the Bank is adjusted to include a specific provision of ₹116.50 crore as on March 31, 2017 held against a particular asset identified by RBI for divergence in the current financial year. The said provision was made in earlier years in line with the Bank's provisioning policy and was in **excess** of the provision assessed by RBI. **Accordingly, there is no divergence in provisioning and no impact on Profit After Tax for the year ended March 31, 2017 due to divergence.**

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

3 The above results were reviewed by the Audit Committee on April 23, 2018 and approved by the Board of Directors on April 24, 2018. There are no qualifications in the auditor's report for the year ended March 31, 2018. The information presented above is extracted from the audited financial statements.

4 The above financial results of the Bank have been prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as specified under Section 133 of the Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to Banks, and the guidelines issued by the RBI. In addition, the Bank has automated its key operations with the key applications largely integrated with the core banking solutions and general ledger system. Accordingly, branch returns are not required to be submitted.

5 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. The proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

6 "Other Income" includes non-fund based income such as commission, fees, earnings from foreign exchange and derivative transactions and profit / (loss) from sale of investments. Other income for the year ended March 31, 2018 includes profit on sale of investments in the 'Held to Maturity (HTM)' category of ₹ 410.17 crore (Previous Year ₹ 10.96 crore). Profit on sale of investments in the HTM category (net of applicable taxes and statutory reserves) of ₹ 202 crore (Previous Year ₹ 5.50 crore) is appropriated to Capital Reserve in accordance with the RBI guidelines.

7 During the quarter ended March 31, 2018, the Bank received favourable income tax orders relating to matter under scrutiny by tax department, which has resulted in write-back of tax provision for earlier years of ₹ 62.57 crore (Previous Year ₹ 1.28 crore) and has remeasured the deferred tax assets at applicable tax rates, which resulted in tax credit of ₹ 77.43 crore (Previous Year Nil).

8 During the quarter and year ended March 31, 2018, the Bank has issued 1398777 and 5068721 equity shares respectively of face value of ₹10 each pursuant to the exercise of options under the Employee Stock Option Scheme.

9 The Board of Directors has proposed a dividend of ₹ 0.75 per share (7.50%) [(Previous Year ₹ 0.75 per share) (7.50%)] for the year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting. Capital adequacy ratio as at March 31, 2018 is after considering the impact of proposed dividend for FY 2017-18. Capital adequacy ratio after considering the impact of proposed dividend for FY 2016-17 was 18.51% as at March 31, 2017.

10 The disclosures for NPA referred to in point 17(iv) above correspond to non performing advances.

11 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC. 80/21/21.06.201/ 2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : http://www.idfcbank.com/regulatory-disclosures.html. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.

12 The Bank has not spread provisioning for mark to market (MTM) losses on investment held in AFS and HFT category for the quarters ended December 31, 2017 and March 31, 2018, though allowed by RBI vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 with a view to address the systemic impact of sharp increase in yields of Government Securities.

13 The figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year which was subject to limited review.

14 The figures for the previous quarter / period have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Date: April 24, 2018
Place: Mumbai

For and behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO

IDFC BANK LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedule No.	As at March 31, 2018 (₹ in Thousands)	As at March 31, 2017 (₹ in Thousands)
CAPITAL AND LIABILITIES			
Capital	1	**34,040,749**	33,990,062
Employees' stock options outstanding	1a	**-**	10,714
Reserves and surplus	2	**118,524,635**	112,779,714
Deposits	3	**481,982,025**	402,082,246
Borrowings	4	**572,870,654**	502,621,857
Other liabilities and provisions	5	**57,783,725**	70,111,988
TOTAL		**1,265,201,788**	1,121,596,581
ASSETS			
Cash and balances with Reserve Bank of India	6	**30,508,556**	30,362,908
Balances with banks and money at call and short notice	7	**18,409,418**	20,657,063
Investments	8	**612,015,342**	504,716,961
Advances	9	**521,648,881**	494,016,832
Fixed assets	10	**7,841,307**	7,865,515
Other assets	11	**74,778,284**	63,977,302
TOTAL		**1,265,201,788**	1,121,596,581
Contingent liabilities	12	**2,156,898,781**	2,036,112,298
Bills for collection		**-**	-
Significant accounting policies and notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
I	**INCOME**			
	Interest earned	13	**89,300,046**	85,327,145
	Other income	14	**11,178,927**	10,131,156
	TOTAL		**100,478,973**	95,458,301
II	**EXPENDITURE**			
	Interest expended	15	**71,319,074**	65,153,943
	Operating expenses	16	**16,525,943**	12,769,764
	Provisions and contingencies	18.30	**4,040,923**	7,337,216
	TOTAL		**91,885,940**	85,260,923
III	**NET PROFIT FOR THE YEAR (I-II)**		**8,593,033**	10,197,378
	Balance in profit and loss account brought forward from previous year		**16,465,871**	12,129,256
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**25,058,904**	22,326,634
V	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.32	**2,150,000**	2,550,000
	Transfer (from) / to investment reserve	18.32	**(5,500)**	5,500
	Transfer to capital reserve	18.32	**2,020,000**	55,000
	Transfer to special reserve	18.32	**750,000**	3,250,000
	Dividend paid (includes tax on dividend)	18.54	**3,047,753**	263
	Balance in profit and loss account carried forward		**17,096,651**	16,465,871
	TOTAL		**25,058,904**	22,326,634
VI	**EARNINGS PER EQUITY SHARE**	18.47		
	(Face value ₹ 10 per share)			
	Basic (₹)		**2.53**	3.00
	Diluted (₹)		**2.52**	2.98

Significant accounting policies and notes to accounts 17 & 18

The schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
A	**Cash flow from operating activities**			
	Net profit before taxes		10,272,999	14,709,555
	Adjustments for :			
	Depreciation on fixed assets	16 (V)	1,634,849	1,343,442
	Provision for / (release of) depreciation in value of investments	18.30	(956,000)	1,569,048
	Amortisation of premium on held to maturity investments		1,135,794	293,121
	Write back of provision for non performing advances	18.30	(5,796,120)	(10,623,023)
	Additional / (write back) of specific provisions	18.30	(1,085,200)	220,565
	Provision on unhedged foreign currency exposure	18.30	53,000	12,094
	Loss on sale of fixed assets (net)	14 (IV)	10,875	53,527
	Write back of provision for restructured assets	18.30	(400)	(5,175,600)
	Bad-debts including technical / prudential write off	18.30	9,978,783	18,405
	Provision for standard assets	18.30	42,824	(309,240)
	Loss on sale of loans to ARC	18.30	-	17,111,999
	Other provisions and contingencies	18.30	123,971	719
	Adjustments for :			
	(Increase) / decrease in investments (excluding held to maturity investment and investment in subsidiary)		(99,023,449)	(160,941,192)
	(Increase) / decrease in advances		(30,729,113)	(38,110,458)
	Increase / (decrease) in deposits		79,899,779	319,891,793
	(Increase) / decrease in other assets		(9,205,478)	(24,005,125)
	Increase / (decrease) in other liabilities and provisions		(12,424,087)	28,780,093
	Direct taxes paid (net of refunds)		(3,399,440)	(2,374,383)
	Net cash flow generated from / (used in) operating activities (A)		(59,466,413)	142,465,340
B	**Cash flow from investing activities**			
	Purchase of fixed assets		(1,650,451)	(2,557,638)
	Proceeds from sale of fixed assets		28,935	23,703
	(Increase) / decrease in held to maturity investments		(8,566,326)	(45,246,618)
	Purchase of subsidiary		-	(2,963,644)
	Dividend from subsidiary		111,600	-
	Net cash flow generated from / (used in) investing activities (B)		(10,076,242)	(50,744,197)
C	**Cash flow from financing activities**			
	Increase / (decrease) in borrowings		70,248,797	(68,976,450)
	Proceeds from issue of share capital		239,614	257,853
	Payment of dividend including dividend distribution tax (net off dividend distribution tax paid by subsidiary)		(3,047,753)	(1,021,644)
	Net cash flow generated from / (used in) financing activities (C)		67,440,658	(69,740,241)
	Net increase in cash and cash equivalents (A+B+C)		(2,101,997)	21,980,902
	Cash and cash equivalents at the beginning of the year		51,019,971	29,039,069
	Cash and cash equivalents at the end of the year		48,917,974	51,019,971
	Represented by :			
	Cash and Balances with Reserve Bank of India	6	30,508,556	30,362,908
	Balances with Banks and Money at Call and Short Notice	7	18,409,418	20,657,063
	Cash and cash equivalents at the end of the year		48,917,974	51,019,971

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date : April 24, 2018
Place : Mumbai

For and behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Abhijit Sen
Director

Bipin Gemani
Chief Financial Officer

Rajiv B. Lall
Founder Managing Director & CEO

Sunil Kakar
Director

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

Deloitte Haskins & Sells

Chartered Accountants
19th floor, Shapath - V,
S G Highway,
Ahmedabad - 380 015,
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDFC BANK LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **IDFC Bank Limited** ("the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group"), and its share of loss of its associates for the year ended 31 March, 2018 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is in accordance with provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the subsidiary, referred to in paragraphs 5 below, the Statement:



a. includes the results of the following entities:

Subsidiary: IDFC Bharat Limited (Formerly known as Grama Vidiyal Microfinance Limited).

Associate: Millennium City Expressways Private Limited and Feedback Infra Private Limited.

b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31 March, 2018.

5. We did not audit the financial statements of a subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 22,914.98 lacs as at 31 March, 2018, total revenues of Rs. 17,729.99 lacs for the year ended 31 March, 2018 and total profit after tax of Rs. 2,125.20 lacs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

6. The consolidated financial results also includes the Group's share of (loss) after tax of Rs. 7,556.59 lacs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 24 April, 2018

IDFC Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu
CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the year ended March 31, 2018 (Consolidated) (₹ in lakhs)

Sr. No.	Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
1	**Interest Earned (a)+(b)+(c)+(d)**	**909847.23**	**857827.65**
	(a) Interest / discount on advances / bills	489012.00	513231.57
	(b) Income on investments	404130.69	328878.22
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	901.37	5866.49
	(d) Others	15803.17	9851.37
2	**Other Income**	**111987.43**	**101909.83**
3	**TOTAL INCOME (1+2)**	**1021834.66**	**959737.48**
4	Interest Expended	712596.28	651547.29
5	**Operating Expenses (i) + (ii) + (iii) + (iv)**	**179690.66**	**133211.16**
	(i) Employees cost	78638.00	61496.26
	(ii) Depreciation on group's property	16821.36	13593.08
	(iii) Professional fees	15518.56	14018.06
	(iv) Other operating expenses	68712.74	44103.76
6	**TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)**	**892286.94**	**784758.45**
7	**Operating Profit (3–6) (Profit Before Provisions and Contingencies)**	**129547.72**	**174979.03**
8	Provisions (other than tax) and Contingencies (Net)	16030.56	23604.81
9	Exceptional Items	-	-
10	**Profit / (Loss) from Ordinary Activities before tax (7–8–9)**	**113517.16**	**151374.22**
11	Tax Expense	17969.10	45099.79
12	**Net Profit / (Loss) from Ordinary Activities after tax (10–11)**	**95548.06**	**106274.43**
13	Extraordinary Items (Net of tax expense)	-	-
14	**Net Profit / (Loss) for the year (12–13)**	**95548.06**	**106274.43**
15	Share in Profit / (Loss) of Associate (refer note 4)	(7556.59)	(4406.27)
16	**Consolidated Net Profit / (Loss) for the year (14+15)**	**87991.47**	**101868.16**
17	**Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 8)**	**340407.49**	**339900.62**
18	Reserves excluding Revaluation Reserves	1187003.12	1127832.20
19	**Analytical Ratios (refer note 9)**		
	Earnings per share (EPS) for the year (before and after extraordinary items) (refer note 8)		
	- Basic (₹)	2.59	3.00
	- Diluted (₹)	2.58	2.98

Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
1	**Segment Revenue**		
	a Treasury	648590.99	675299.79
	b Wholesale Banking	435858.18	514464.06
	c Retail Banking	95977.44	29344.74
	d Other Banking Business	803.63	115.18
	e Unallocated	4117.58	335.92
	Total Segment Revenue	**1185347.82**	**1219559.69**
	Add/(Less) : Inter Segment Revenue	(163513.16)	(259822.21)
	Income from Operations	**1021834.66**	**959737.48**
2	**Segment Results After Provisions & Before Tax**		
	a Treasury	112374.36	82862.78
	b Wholesale Banking	83475.94	142688.03
	c Retail Banking	(30274.69)	(34412.23)
	d Other Banking Business	(211.36)	115.18
	e Unallocated	(51847.09)	(39879.54)
	Total Profit Before Tax and Earnings from Associates	**113517.16**	**151374.22**
3	**Segment Assets**		
	a Treasury	6917649.15	5796298.61
	b Wholesale Banking	4532599.05	4765873.54
	c Retail Banking	929471.91	396131.28
	d Other Banking Business	709.11	115.18
	e Unallocated	257770.00	248012.55
	Total Segment Assets	**12638199.22**	**11206431.16**
4	**Segment Liabilities**		
	a Treasury	5891842.17	4946375.01
	b Wholesale Banking	4344879.54	4419779.12
	c Retail Banking	861544.52	364971.81
	d Other Banking Business	211.36	-
	e Unallocated	12311.02	7572.40
	Total Segment Liabilities	**11110788.61**	**9738698.34**
5	**Capital Employed (Segment Assets - Segment Liabilities)**	**1527410.61**	**1467732.82**

Business segments have been identified and reported taking into account the target customer profile, the nature of products, the organisation structure, internal business reporting system and the guidelines prescribed by the Reserve Bank of India ('the RBI').

D. H. & S. CHARTERED ACCOUNTANTS

IDFC BANK LIMITED MUMBAI

1

IDFC

Notes:

1 Statement of Assets and Liabilities of the Bank as at March 31, 2018 and March 31, 2017 is given below :

(₹ in lakhs)

Particulars	Year ended 31.03.2018 (Audited)	Year ended 31.03.2017 (Audited)
CAPITAL AND LIABILITIES		
Capital	340407.49	339900.62
Employees' stock options outstanding	-	107.14
Reserves and surplus	1187003.12	1127725.06
Deposits	4803944.14	4009782.95
Borrowings	5728706.54	5026218.57
Other liabilities and provisions	578137.93	702696.82
TOTAL	**12638199.22**	**11206431.16**
ASSETS		
Cash and balances with Reserve Bank of India	302109.87	299513.65
Balances with banks and money at call and short notice	185571.75	214499.12
Investments	6090441.80	5016411.12
Advances	5216488.81	4940168.32
Fixed Assets	80025.91	79886.95
Other Assets	763561.08	655952.00
TOTAL	**12638199.22**	**11206431.16**

2 The above results were reviewed by the Audit Committee on April 23, 2018 and approved by the Board of Directors on April 24, 2018. There are no qualifications in the auditor's report for the year ended March 31, 2018. The information presented above is extracted from the audited financial statements.

3 The consolidated financial results are prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, Accounting Standard (AS) 21 'Consolidated Financial Statement' and Accounting Standard (AS) 23 'Accounting for investment in associates in Consolidated Financial Statement' specified under Section 133 of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to banks, and the guidelines issued by the RBI.

4 During the year ended March 31, 2018, the Bank sold partial stake in Feedback Infra Private Limited, as associate, which resulted in change in its holding from 24.61% to 17.77%. Accordingly, as per AS 23 on accounting investment in associates, Feedback Infra Private Limited is no longer an associate with effect from March 19, 2018.

5 On January 13, 2018, the Board of Directors of the Bank approved a merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited & Capital First Securities Limited with the Bank in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI) / Stock Exchanges, the respective Shareholders and Creditors of each entities and the National Company Law Tribunal (NCLT). The appointed date for the transaction is proposed to be April 1, 2018 or mutually agreed date and the effective date shall be based on the receipt of the aforesaid approvals. The proposed transaction however does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

6 The Board of Directors has proposed a dividend of ₹ 0.75 per share (7.50%) [(Previous Year ₹ 0.75 per share) (7.50%)] for the year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting.

7 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC.80/21/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : http://www.idfcbank.com/regulatory-disclosures.html. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.

8 During the year ended March 31, 2018, the holding company has issued 5068721 equity shares of face value of ₹10 each respectively pursuant to the exercise of options under the Employee Stock Option Scheme.

9 Analytical ratios are part of standalone financial results available on the Bank's website (www.idfcbank.com) and on the Stock Exchange websites (www.nseindia.com and www.bseindia.com).

10 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Date: April 24, 2018
Place: Mumbai

For and on behalf of the Board
of IDFC Bank Limited

Rajiv B. Lall
Founder Managing Director & CEO

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IDFC BANK LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedule No.	As at March 31, 2018 (₹ in Thousands)	As at March 31, 2017 (₹ in Thousands)
CAPITAL AND LIABILITIES			
Capital	1	**34,040,749**	33,990,062
Employees' stock options outstanding	1a	**-**	10,714
Reserves and surplus	2	**118,700,312**	112,772,506
Deposits	3	**480,394,414**	400,978,295
Borrowings	4	**572,870,654**	502,621,857
Other liabilities and provisions	5	**57,813,793**	70,269,682
TOTAL		**1,263,819,922**	1,120,643,116
ASSETS			
Cash and balances with Reserve Bank of India	6	**30,210,987**	29,951,365
Balances with banks and money at call and short notice	7	**18,557,175**	21,449,912
Investments	8	**609,044,180**	501,641,112
Advances	9	**521,648,881**	494,016,832
Fixed assets	10	**8,002,591**	7,988,695
Other assets	11	**76,356,108**	65,595,200
TOTAL		**1,263,819,922**	1,120,643,116
Contingent liabilities	12	**2,156,950,918**	2,037,000,515
Bills for collection		**-**	-
Significant accounting policies and notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

Date : April 24, 2018
Place : Mumbai

IDFC BANK LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

		Schedule No.	Year Ended March 31, 2018 (₹ in Thousands)	Year Ended March 31, 2017 (₹ in Thousands)
I	**INCOME**			
	Interest earned	13	**90,984,723**	85,782,765
	Other income	14	**11,198,743**	10,190,983
	TOTAL		**102,183,466**	95,973,748
II	**EXPENDITURE**			
	Interest expended	15	**71,259,628**	65,154,729
	Operating expenses	16	**17,969,066**	13,321,116
	Provisions and contingencies	18.04	**3,399,966**	6,870,460
	TOTAL		**92,628,660**	85,346,305
	Net Profit/(Loss) before Share in Profit / (Loss) in associates		**9,554,806**	10,627,443
	Add : Share in profits / (Loss) of associates		**(755,659)**	(440,627)
III	**CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP**		**8,799,147**	10,186,816
	Balance in profit and loss account brought forward from previous year		**16,458,662**	12,129,256
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**25,257,809**	22,316,072
V	**APPROPRIATIONS :**			
	Transfer to statutory reserve	18.05	**2,150,000**	2,550,000
	Transfer (from)/to investment reserve	18.05	**(5,500)**	5,500
	Transfer to capital reserve	18.05	**2,020,000**	55,000
	Transfer to special reserve	18.05	**750,000**	3,250,000
	Proposed dividend (includes tax on dividend)	18.13	**3,070,472**	263
	(Creation) / Utilization of reserves by associate		**508**	(3,353)
	Balance in profit and loss account carried forward		**17,272,328**	16,458,662
	TOTAL		**25,257,809**	22,316,072
VI	**EARNINGS PER EQUITY SHARE**	18.07		
	(Face value ₹ 10 per share)			
	Basic (₹)		**2.59**	3.00
	Diluted (₹)		**2.58**	2.98

Significant accounting policies and notes to accounts 17 & 18

The schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date : April 24, 2018
Place : Mumbai

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance Officer

IDFC BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Schedule No.	Year ended March 31, 2018 (₹ in Thousands)	Year ended March 31, 2017 (₹ in Thousands)
Cash flow from operating activities			
Net profit / (loss) before taxes		**10,596,057**	14,696,794
Adjustments for :			
Depreciation on fixed assets	16 (V)	**1,682,136**	1,359,308
Provision for depreciation in value of investments	18.04	**(1,713,901)**	1,102,403
Amortisation of premium on held to maturity investments		**1,135,794**	293,121
Write back of provision for non performing advances	18.04	**(5,796,120)**	(10,623,023)
Additional / (write back) of specific provisions	18.04	**(1,085,200)**	220,565
Provision on unhedged foreign currency exposure	18.04	**53,000**	12,094
Loss on sale of fixed assets (net)	14 (IV)	**10,450**	53,383
Write back of provision for restructured assets	18.04	**(400)**	(5,175,600)
Bad debts including technical / prudential write off	18.04	**9,978,783**	18,405
Provision for standard assets	18.04	**42,824**	(309,240)
Loss on sale of loans to ARC	18.04	**-**	17,111,999
Other provisions and contingencies	18.04	**123,971**	2,807
Share in loss of associates		**755,659**	440,627
Adjustments for :			
(Increase) / decrease in investments (excluding held to maturity investment and investment in subsidiary)		**(99,046,559)**	(160,941,192)
(Increase) / decrease in advances		**(30,729,113)**	(38,110,458)
Increase / (decrease) in deposits		**79,416,118**	318,787,842
(Increase) / decrease in other assets		**(9,197,132)**	(24,152,616)
Increase / (decrease) in other liabilities and provisions		**(12,551,714)**	28,935,724
Direct taxes paid (net of refunds)		**(3,484,654)**	(2,441,485)
Net cash flow used in operating activities (A)		**(59,810,001)**	141,281,458
Cash flow from investing activities			
Purchase of fixed assets		**(1,738,108)**	(2,696,851)
Proceeds from sale of fixed assets		**31,625**	24,004
(Increase) / decrease in held to maturity investments		**(8,534,570)**	(45,246,618)
(Increase) / decrease in investment in subsidiary		**-**	(1,259,544)
Net cash used in investing activities (B)		**(10,241,053)**	(49,179,009)
Cash flow from financing activities			
Increase / (decrease) in borrowings		**70,248,797**	(68,976,450)
Proceeds from issue of share capital		**239,614**	257,853
Payment of dividend (including dividend distribution tax)		**(3,070,472)**	(1,021,644)
Net cash generated from financing activities (C)		**67,417,939**	(69,740,241)
Net increase in cash and cash equivalents (A+B+C)		**(2,633,115)**	22,362,208
Cash and cash equivalents at the beginning of the year		**51,401,277**	29,039,069
Cash and cash equivalents at the end of the year		**48,768,162**	51,401,277
Represented by :			
Cash and Balances with Reserve Bank of India	6	**30,210,987**	29,951,365
Balances with Banks and Money at Call and Short Notice	7	**18,557,175**	21,449,912
Cash and cash equivalents at the end of the year		**48,768,162**	51,401,277

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
(Membership No. 48791)

For and on behalf of the Board of Directors
of IDFC Bank Limited

Veena Mankar
Chairperson

Rajiv B. Lall
Founder Managing Director & CEO

Abhijit Sen
Director

Sunil Kakar
Director

Bipin Gemani
Chief Financial Officer

Mahendra N. Shah
Company Secretary & Chief Compliance

Date : April 24, 2018
Place : Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report on Annual Standalone Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying annual standalone financial results of Capital First Limited ('the Company') for the year ended 31 March 2018 ('the Financial Results'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ('the SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date audited figures upto the end of the third quarter of the relevant financial year.

These Financial Results have been prepared on the basis of the standalone annual financial statements and audited quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such standalone annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the fact that the figures for the quarter and year ended 31 March 2017 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion on the Annual Standalone Financial Results for the year ended 31 March 2017 dated 10 May 2017.

Independent Auditor's Report on Annual Standalone Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

i. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii. give a true and fair view of the standalone net profit and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
4 May 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013
email: customer.care@capitalfirst.com; website: www.capitalfirst.com

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited)	31.12.2017 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from operations	102,655.16	93,864.34	72,728.46	359,296.21	270,076.02
2	Other income	921.96	472.65	694.71	3,528.96	2,609.46
3	**Total Revenue**	**103,577.12**	**94,336.99**	**73,423.17**	**362,825.17**	**272,685.48**
4	**Expenses**					
a	Employee benefits expense	8,769.69	8,632.96	5,526.27	31,621.52	23,319.39
b	Finance costs	36,073.05	32,792.97	27,140.72	129,406.17	112,791.21
c	Depreciation and amortisation expense	912.11	641.05	518.40	2,789.12	1,663.32
d	Other expenses	44,825.62	39,669.27	29,657.66	153,551.58	101,683.03
	Total Expenses	**90,580.47**	**81,736.25**	**62,843.05**	**317,368.39**	**239,456.95**
5	**Profit from Ordinary activities before Exceptional Items**	**12,996.65**	**12,600.74**	**10,580.12**	**45,456.78**	**33,228.53**
6	Exceptional Items (Refer note no.j)	(2,936.75)	-	-	(2,936.75)	-
7	**Profit from Ordinary activities before tax**	**15,933.40**	**12,600.74**	**10,580.12**	**48,393.53**	**33,228.53**
8	**Tax expense**					
	-Current tax	4,288.23	4,176.00	3,997.17	17,572.62	13,040.04
	-Deferred tax	195.22	294.78	(319.88)	(1,846.12)	(1,476.71)
	-Tax for earlier years	-	-	(21.00)	(33.98)	(21.00)
	Tax expense	**4,483.45**	**4,470.78**	**3,656.29**	**15,692.52**	**11,542.33**
9	**Profit after tax**	**11,449.95**	**8,129.96**	**6,923.83**	**32,701.01**	**21,686.20**
10	Earnings per share (EPS) *					
	-Basic (Rs.)	11.57	8.24	7.11	33.29	23.20
	-Diluted (Rs.)	11.11	7.79	6.68	31.96	21.76
	**EPS for the quarters/nine months is not annualised*					

Notes

a. The standalone audited financial results of Capital First Limited (the 'Company' or 'CFL') for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on May 04, 2018.

b. On January 13, 2018, the Board of Directors of the Company approved the merger of the Company and its wholly owned subsidiaries i.e., Capital First Home Finance Limited and Capital First Securities Limited, with IDFC Bank Limited in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the National Housing Bank, the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), stock exchanges, the respective shareholders and creditors of each entity and the National Company Law Tribunal (NCLT). The appointed date for the scheme is April 01, 2018 or such other mutually agreed date. The effective date is the mutually agreed date, being a date post the last of the dates on which all condition precedents and matters, as set out in the scheme, occur or have been fulfilled or waived in accordance with the scheme. The proposed transaction however does not have any impact on the current financial results or the financial position of the Company as at March 31, 2018.

c. Pursuant to circular no RBI/2017-18/129- DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018 issued by the Reserve Bank of India (RBI) which permits regulated entities to defer the down grade of an account of micro,small and medium enterprise under the Micro,Small and Medium Enterprises (MSED) Act,2006, that was standard as on January 31, 2018, the Company has not opted for 180 days relaxation entended by RBI for recognition of loan as Non-Performing Assets ('NPA').

d. The Company has accounted for provision on standard assets as per the Reserve Bank of India ('RBI') notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years commencing from financial year ending March 31, 2016. As a result of which provision for standard assets as at March 31, 2018 is higher by Rs. 1073.54 lakhs.

e. During the quarter ended March 31, 2018, 75,160 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.

f. The Secured Listed Non-Convertible Debt securities of the Company as on March 31, 2018 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

g. RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending March 31, 2016. This has resulted in increase in gross non-performing assets by Rs. 8,541.21 lakhs. However, there is no significant impact of this change on provision for the quarter and year ended March 31, 2018.

h. The primary business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

i. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs.2.80 per share (28%)

j. In earlier years, the Board of Directors decided to discontinue broking business carried on through its subsidiary Capital First Securities Limited (CFSL). At the time of discontinuance of broking business of CFSL, the Company was carrying impairtment provision of Rs.5,841.73 lakhs . Thereafter CFSL started other business activity which has resulted in consistent income and profitability.The management believes that the provision for diminution needs to be reversed to the extent of CFSL's net worth. Accordingly Rs.2,936.75 lakhs has been reversed. However, this has no impact on the consolidated financial statements of the Company.

k. The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the year to date audited figures for the nine months period ended December 31, 2017.

l. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year's classifications.

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN : 00082596

Place : Mumbai

Date : May 04, 2018

CAPITAL FIRST LIMITED
(CIN no. L29120MH2005PLC156795)
Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013

STANDALONE STATEMENT OF AUDITED ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	9,896.52	9,742.21
(b) Reserves and surplus	245,100.22	213,979.17
Sub-Total shareholders' funds	**254,996.74**	**223,721.38**
2 Share application money pending allotment	4.13	-
3 Non - current liabilities		
(a) Long term borrowings	1,353,626.94	860,458.72
(b) Other long term liabilities	10,182.98	7,145.03
(c) Long term provisions	17,103.10	11,430.30
Sub-Total non-current liabilities	**1,380,913.02**	**879,034.05**
4 Current Liabilities		
(a) Short term borrowings	370,223.16	250,569.06
(b) Trade payables	31,056.13	17,508.58
(c) Other current liabilities	340,933.61	308,384.60
(d) Short term provisions	20,035.25	14,217.67
Sub-Total current liabilities	**762,248.15**	**590,679.91**
TOTAL-EQUITY AND LIABILITIES	**2,398,162.04**	**1,693,435.34**
B ASSETS		
1 Non - current assets		
(a) Fixed assets	9,528.30	6,463.96
(b) Non - current investments	54,705.83	29,532.05
(c) Deferred tax assets (Net)	8,758.73	6,912.61
(d) Long term loans and advances	1,358,666.03	880,715.76
(e) Other non current assets	29,155.87	13,300.44
Sub-Total non-current assets	**1,460,814.76**	**936,924.82**
2 Current Assets		
(a) Current investments	754.33	2,440.24
(b) Trade receivables	6,721.68	6,153.18
(c) Cash and cash equivalents	117,938.73	152,049.14
(d) Short term loans and advances	778,075.58	564,216.82
(e) Other current assets	33,856.96	31,651.14
Sub-Total current assets	**937,347.28**	**756,510.52**
TOTAL ASSETS	**2,398,162.04**	**1,693,435.34**





CAPITAL FIRST LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Rs. in lakhs

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,896.52	9,742.21
Reserves and surplus	4	245,100.22	213,979.17
		254,996.74	223,721.38
Share Application Money Pending Allotment	3	4.13	-
Non - Current Liabilities			
Long term borrowings	5	1,353,626.94	860,458.72
Other long term liabilities	6	10,182.98	7,145.03
Long term provisions	7	17,103.10	11,430.30
		1,380,913.02	878,034.05
Current Liabilities			
Short term borrowings	8	370,223.16	250,569.08
Trade payables	9		
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		31,056.13	17,508.56
Other current liabilities	10	340,933.61	308,384.60
Short term provisions	11	20,035.25	14,217.67
		762,248.15	590,679.91
TOTAL		2,398,162.04	1,693,435.34
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	12	6,123.47	4,764.63
- Intangible assets	12	2,164.64	1,699.33
- Intangible assets under development		1,240.19	-
		9,528.30	6,463.96
Non - current investments	13	54,705.83	29,532.05
Deferred tax assets (Net)	14	8,758.73	6,912.61
Long term loans and advances	15	1,358,666.03	880,715.78
Other non current assets	16	29,155.87	13,300.44
		1,460,814.76	936,924.82
Current Assets			
Current investments	17	754.33	2,440.24
Trade receivables	18	6,721.69	6,153.18
Cash and bank balances	19	117,938.73	152,049.14
Short term loans and advances	20	778,075.58	564,216.82
Other current assets	21	33,856.96	31,651.14
		937,347.28	756,510.52
TOTAL		2,398,162.04	1,693,435.34

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sankhecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. In lakhs

Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	359,296.21	270,076.03
Other income	23	3,528.96	2,609.45
Total Revenue		362,825.17	272,685.48
Expenses			
Employee benefits expense	24	31,621.52	23,319.39
Finance costs	25	129,405.17	112,791.21
Depreciation and amortisation expense	26	2,789.12	1,663.32
Other expenses	27	153,551.58	101,683.03
Total Expenses		317,368.39	239,456.95
Profit before exceptional items and tax		45,456.78	33,228.53
Exceptional items	28	(2,936.75)	-
Profit before tax		48,393.53	33,228.53
Tax expense:			
- Current tax		17,572.62	13,040.04
- Deferred tax credit		(1,846.12)	(1,476.71)
- Tax for earlier years		(33.98)	(21.00)
		15,692.52	11,542.33
Profit after tax		32,701.01	21,686.20
Earning per equity share:	29		
[Face value - Rs.10/- per share]			
- Basic		33.29	23.20
- Diluted		31.96	21.76

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head-Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	48,393.53	33,228.63
Adjustments for :		
Depreciation/ amortisation	2,789.12	1,663.32
Provision for doubtful loans and advances	4,743.55	3,326.36
Provision for diminution in value of investments	(2,936.75)	(183.59)
Contingent provisions against standard assets	3,476.07	1,464.22
Bad loans and trade receivables written off	53,619.38	39,482.48
Provision for employee benefits	429.82	148.98
Profit on sale of investments (net)	(3,425.79)	(1,503.16)
Dividend income	(43.84)	(38.93)
Loss on sale of fixed assets	9.89	123.39
Interest on investments	(212.23)	-
	58,449.22	44,483.05
Operating Profit Before Working Capital Changes	106,842.85	77,711.58
Adjustment for changes in working capital:		
(Increase)/ Decrease in trade receivables	(588.50)	(3,485.48)
(Increase)/ Decrease in loans and advances	(746,208.92)	(271,885.92)
(Increase)/Decrease in other assets	(17,640.62)	8,092.48
(Increase)/Decrease in trade payables and other liabilities	42,790.71	30,998.58
Cash used in operations	(615,014.48)	(158,566.78)
Direct taxes paid (net of refund)	(12,503.58)	(4,573.92)
Net Cash (used in) from Operating Activities	(627,518.05)	(163,140.71)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets and capital work in progress	(6,239.97)	(5,410.19)
Sale proceeds from fixed assets	50.65	10.50
Purchase of investments	(4,316,094.49)	(2,682,500.24)
Sale proceeds from investments	4,299,181.39	2,677,630.75
Dividend income	43.84	38.93
Net Cash (used in) from Investing Activities	(23,058.58)	(10,230.25)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	154.32	818.43
Proceeds from securities premium on issue of equity share capital	3,159.59	36,456.05
Proceeds from share application money pending allotment	4.13	(14.98)
Payment of securities issue expenses	(1,681.53)	(999.09)
Payment of dividend	(2,540.65)	(2,159.91)
Payment of dividend tax	(517.25)	(445.61)
Proceeds from long term borrowings	788,335.00	550,293.00
Repayment of long term borrowings	(290,884.70)	(449,150.25)
Proceeds from short term borrowings	2,712,508.38	453,791.32
Repayment of short term borrowings	(2,592,854.28)	(358,466.37)
Net Cash generated from Financing Activities	616,682.89	229,892.41
Net (Decreased)/Increase in Cash and Cash Equivalents during the period	(33,893.76)	56,519.45
Cash and Cash equivalents at beginning of the year (Refer note 3 below)	150,845.66	94,326.21
Cash and Cash equivalents at the end of the year	116,951.91	150,845.66

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash in hand	2,287.80	1,398.90
Cheques on hand	-	195.22
Balance with banks:		
- In current accounts (Refer note 3 below)	114,664.11	149,251.54
Total	116,951.91	150,845.66

Notes:

1 The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

3 The balances in unclaimed dividend accounts is not available for use by the Company and hence the same have been excluded.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 04, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Hemang Raja
Director
DIN No.00040769

Pankaj Sankhecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 04, 2018

Capital First Limited Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report on Annual Consolidated Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying annual consolidated financial results of Capital First Limited ('the Company') for the year ended 31 March 2018 ('the Financial Results'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ('the SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date audited figures upto the end of the third quarter of the relevant financial year.

These Financial Results have been prepared on the basis of the consolidated annual financial statements and audited quarterly consolidated financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the fact that the figures for the quarter and year ended 31 March 2017 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion on the Annual Consolidated Financial Results for the year ended 31 March 2017 dated 10 May 2017.

Independent Auditor's Report on Annual Consolidated Financial Results of Capital First Limited for the year ended 31 March 2018 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***(Continued)***

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

i. include the annual financial results of the following entities:

Name of the entity	Relationship
Capital First Limited	Holding Company
Capital First Home Finance Limited	Subsidiary
Capital First Securities Limited	Subsidiary
Capital First Commodities Limited	Subsidiary

ii. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and

ii. give a true and fair view of the consolidated net profit and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
4 May 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (West), Mumbai - 400 013
email: customer.care@capitalfirst.com; website: www.capitalfirst.com

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

Sr	Particulars	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited) (refer note 'k')	31.12.2017 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from operations	109,396.31	98,763.74	74,932.06	377,062.05	277,287.07
2	Other income	1,063.43	825.73	748.19	4,142.52	2,799.36
3	**Total Revenue**	**110,459.74**	**99,589.47**	**75,680.25**	**381,204.57**	**280,086.43**
4	**Expenses**					
a	Employee benefits expense	9,526.62	9,189.14	5,966.29	33,476.66	23,939.35
b	Finance costs	39,259.49	35,661.79	28,025.59	138,244.23	116,060.08
c	Depreciation and amortisation expense	912.11	641.05	518.40	2,789.12	1,663.32
d	Other expenses	46,478.27	40,706.51	30,348.25	157,297.99	102,675.25
	Total Expenses	**96,176.49**	**86,198.49**	**64,858.53**	**331,808.00**	**244,338.00**
5	**Profit before tax**	**14,283.25**	**13,390.98**	**10,821.72**	**49,396.57**	**35,748.43**
6	Tax expense					
	- Current tax	4,537.35	4,586.68	3,888.70	18,750.77	13,518.78
	- Minimum Alternate Tax (MAT)	196.16	90.54	-	467.10	-
	- Deferred tax credit	1.55	(7.77)	(162.61)	(2,624.28)	(1,763.31)
	- Tax for earlier years	(0.01)	-	(12.48)	(32.29)	(12.48)
	Tax expense	**4,735.05**	**4,669.45**	**3,713.61**	**16,561.30**	**11,742.99**
7	**Profit for the year from Continuing Operations**	**9,548.20**	**8,721.53**	**7,108.11**	**32,835.27**	**24,005.44**
8	Profit/(loss) before tax from discontinuing operations	(1.95)	(1.31)	2.20	(7.36)	(4.38)
9	Tax expense/ (credit) of discontinuing operations	21.09	23.86	27.23	83.44	108.95
10	Profit/(loss) from discontinuing operations (after tax)	(23.04)	(25.17)	(25.03)	(90.80)	(113.33)
11	**Profit for the year**	**9,525.16**	**8,696.36**	**7,083.08**	**32,744.47**	**23,892.11**
12	Earnings per share *					
	Basic EPS	9.63	8.81	7.27	33.34	25.56
	Diluted EPS	9.24	8.83	6.84	32.00	23.97
	EPS for the quarter is not annualised					

Notes

a The audited consolidated financial results relate to Capital First Limited (the "Company") and its subsidiaries (together referred as 'Group'). The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in Accounting Standard (AS) - 21 'Consolidated Financial Statements' notified under section 133 of the Companies Act 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014' and Companies (Accounting Standard) Amendment Rules, 2016. The financial results of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

b The consolidated financial results for the quarter/year ended March 31, 2018, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on May 4, 2018.

c On January 13, 2018, the Board of Directors of the Company approved the merger of the Company and its wholly owned subsidiaries i.e., Capital First Home Finance Limited and Capital First Securities Limited, with IDFC Bank Limited in an all-stock transaction through a Composite Scheme of Arrangement, subject to approvals of the Reserve Bank of India (RBI), the National Housing Bank, the Competition Commission of India (CCI), the Securities and Exchange Board of India (SEBI), stock exchanges, the respective shareholders and creditors of each entity and the National Company Law Tribunal (NCLT). The appointed date for the scheme is April 01, 2018 or such other mutually agreed date. The effective date is the mutually agreed date, being a date post the last of the dates on which all condition precedents and matters, as set out in the scheme, occur or have been fulfilled or waived in accordance with the scheme. The proposed transaction however does not have any impact on the current financial results or the financial position of the Company as at March 31, 2018.

d. Pursuant to circular no RBI/2017-18/129- DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018 issued by the Reserve Bank of India (RBI) which permits regulated entities to defer the down grade of an account of micro,small and medium enterprise under the Micro,Small and Medium Enterprises (MSED) Act,2006, that was standard as on January 31, 2018, the Company has not opted for 180 days relaxation extended by RBI for recognition of loan as Non-Performing Assets ('NPA').

e. The Company has accounted for provision on standard assets as per the Reserve Bank of India ('RBI') notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years commencing from financial year ending March 31, 2016. As a result of which provision for standard assets as at March 31, 2018 is higher by Rs. 1073.54 lakhs.

f. RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending March 31, 2016. This has resulted in increase in gross non-performing assets by Rs. 8,541.21 lakhs. However, there is no significant impact of this change on provision for the quarter and year ended March 31, 2018.





g. The primary business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) - 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016.

h. During the quarter ended March 31, 2018, 75,160 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.

i. The Secured Listed Non-Convertible Debt securities of the Company as on March 31, 2018 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

j. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs. 2.80 per share (28%).

k. The figures for the quarter ended Mar 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the year to date audited figures for the nine months period ended December 31, 2017.

l. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year's classification.

m. The Standalone Financial Results are available on the Company's website viz. www.capitalfirst.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

(Rs. In Lakhs)

STANDALONE FINANCIALS SUMMARY					
	QUARTER ENDED			YEAR ENDED	
Particulars	**31.03.2018 (Audited)**	**31.12.2017 (Audited)**	**31.03.2017 (Audited)**	**31.03.2018 (Audited)**	**31.03.2017 (Audited)**
Revenues (including other income)	103,577.12	94,336.99	73,423.17	362,825.17	272,685.48
Profit before tax	15,933.40	12,600.74	10,580.12	48,393.53	33,228.53
Profit after tax	11,449.95	8,129.96	6,923.83	32,701.01	21,686.20

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Place : Mumbai
Date : May 4, 2018





CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)
Regd. Office : One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg , Lower Parel (W), Mumbai - 400 013

STATEMENT OF AUDITED ASSETS AND LIABILITIES (CONSOLIDATED)

(Rs. in Lakhs)

PARTICULARS	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	9,896.52	9,742.21
(b) Reserves and surplus	251,855.77	220,641.88
Sub-total shareholders' funds	**261,752.29**	**230,384.09**
2 Share application money pending allotment	4.13	-
3 Non - Current Liabilities		
(a) Long term borrowings	1,489,193.19	894,448.72
(b) Other long term liabilities	13,107.43	8,017.59
(c) Long term provisions	19,642.38	11,907.00
Sub-total non-current liabilities	**1,521,943.00**	**914,373.31**
4 Current Liabilities		
(a) Short term borrowings	404,490.80	259,900.82
(b) Trade payables	33,818.10	18,052.17
(c) Other current liabilities	374,473.47	328,433.66
(d) Short term provisions	20,275.06	14,373.39
Sub-total current liabilities	**833,057.43**	**620,760.04**
TOTAL - EQUITY & LIABILITIES	**2,616,756.85**	**1,765,517.44**
B ASSETS		
1 Non-Current Assets		
(a) Fixed assets	9,547.77	6,463.96
(b) Non - current investments	28,737.03	21,500.00
(c) Deferred tax assets (Net)	9,847.91	7,223.63
(d) Long term loans and advances	1,555,493.56	940,877.34
(e) Other non current assets	30,736.33	13,845.49
Sub-total non-current assets	**1,634,362.60**	**989,910.42**
2 Current Assets		
(a) Current investments	4,454.33	4,365.24
(b) Trade receivables	6,736.95	6,199.52
(c) Cash and bank balances	142,634.93	159,362.81
(d) Short term loans and advances	792,169.02	573,301.54
(e) Other current assets	36,399.02	32,377.91
Sub-total current assets	**982,394.25**	**775,607.02**
TOTAL - ASSETS	**2,616,756.85**	**1,765,517.44**

CAPITAL FIRST LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Rs. in Lakhs

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,888.52	9,742.21
Reserves and surplus	4	251,855.77	220,641.88
		261,752.29	230,384.09
Share application money pending allotment		4.13	-
Non - Current Liabilities			
Long term borrowings	5	1,489,193.19	894,448.72
Other long term liabilities	6	13,107.43	8,017.59
Long term provisions	7	19,642.38	11,906.99
		1,521,943.00	914,373.30
Current Liabilities			
Short term borrowings	8	404,490.80	259,900.62
Trade payables	9		
(I) Micro and Small Enterprises		-	-
(II) Other than Micro and Small Enterprises		33,618.10	18,052.17
Other current liabilities	10	374,473.47	328,433.66
Short term provisions	11	20,275.06	14,373.40
		833,057.43	620,760.05
TOTAL		2,616,756.85	1,765,517.44
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	12	6,142.94	4,764.63
- Intangible assets	12	2,164.64	1,699.33
- Intangible assets under development		1,240.19	-
		9,547.77	6,463.96
Non - current investments	13	28,737.03	21,500.00
Deferred tax assets (Net)	14	9,647.91	7,223.63
Long term loans and advances	15	1,555,493.56	940,877.34
Other non current assets	16	30,736.33	13,845.49
		1,634,362.60	989,910.42
Current Assets			
Current investments	17	4,454.33	4,365.24
Trade receivables	18	6,736.95	6,199.51
Cash and bank balances	19	142,634.93	159,362.81
Short term loans and advances	20	792,169.02	573,301.54
Other current assets	21	36,399.02	32,377.92
		982,394.25	775,607.02
TOTAL		2,616,756.85	1,765,517.44

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director
DIN No. 00082596

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Place: Mumbai
Date : May 4, 2018

Hemang Raja
Director
DIN No. 00040769

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	377,062.05	277,287.07
Other income	23	4,142.52	2,799.36
Total revenue		381,204.57	280,086.43
Expenses			
Employee benefits expense	24	33,476.66	23,939.35
Finance costs	25	138,244.23	116,050.08
Depreciation and amortisation expense	26	2,789.12	1,663.32
Other expenses	27	157,297.99	102,675.25
Total Expenses		331,808.00	244,338.00
Profit before tax		49,396.57	35,748.43
Tax expense:			
- Current tax		18,750.77	13,518.78
- Minimum Alternate Tax (MAT)		467.10	-
- Deferred tax credit		(2,624.28)	(1,763.31)
- Tax for earlier years		(32.29)	(12.48)
		16,561.30	11,742.99
Profit for the year from continuing operations	(A)	32,835.27	24,005.44
Profit/(loss) before tax from discontinuing operations		(7.36)	(4.38)
Tax expense of discontinuing operations		83.44	108.95
Profit/(loss) from discontinuing operations (after tax)	(B)	(90.80)	(113.33)
Profit for the year	(A)+(B)	32,744.47	23,892.11
Earning per equity share:	28		
- Basic (Face value of Rs. 10/- each)		33.34	25.56
- Diluted (Face value of Rs. 10/- each)		32.00	23.97

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijal
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V.Vaidyanathan
Chairman &
Managing Director
DIN No. 00082596

Hemang Raja
Director
DIN No. 00040759

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 4, 2018

Capital First Limited Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in Lakhs

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		49,396.57	35,748.43
Profit before tax from discontinuing operations		(7.36)	(4.38)
		49,389.21	35,744.05
Adjustments for :			
Depreciation/ amortisation on continuing operation		2,759.12	1,663.32
Provision for doubtful loans and advances		6,281.60	3,623.15
Provision for diminution in value of investments		-	(183.59)
Provision for standard assets		4,034.23	1,547.79
Bad loans and trade receivables written off		53,664.57	40,307.66
Provision for employee benefits		482.64	160.64
Dividend income		(43.64)	(38.93)
Profit on sale of investments (net)		(4,022.32)	(1,668.81)
Loss on sale of fixed assets		9.89	123.39
Excess provision written back		-	(5.71)
		63,366.19	45,518.93
Operating Profit Before Working Capital Changes		112,755.40	81,262.98
Adjustment for changes in working capital:			
Increase in Trade Receivables		(537.44)	(3,531.75)
Increase in Loans and Advances		(686,094.78)	(293,876.66)
Increase in Other Assets		(20,691.32)	7,338.84
Increase in Trade payables and other liabilities		45,800.16	32,286.94
Cash used in operations		(750,737.96)	(176,518.65)
Direct taxes paid (net of refund)		(14,272.31)	(5,233.61)
Net Cash (used in) Operating Activities	(A)	(765,010.27)	(181,752.26)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(6,259.44)	(5,410.19)
Sale proceeds from fixed assets		80.65	10.50
Sale proceeds from investments		4,604,285.68	2,727,000.88
Purchase of investments		(4,607,589.49)	(2,732,650.73)
Dividend income		43.64	38.93
Net Cash (used in) Investing Activities	(B)	(9,468.75)	(11,010.61)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Share Capital		154.32	618.43
Proceeds from Share Application Money Pending Allotment		4.13	(14.96)
Proceeds from Securities Premium on issue of Equity Share Capital		3,169.69	38,456.05
Payment of securities issue expenses		(1,642.16)	(918.55)
Payment of dividend		(2,540.86)	(2,189.91)
Payment of dividend tax		(517.28)	(445.81)
Proceeds from long term borrowings		934,835.00	581,093.00
Repayment of long term borrowings		(320,085.03)	(467,942.75)
Proceeds from short term borrowings		2,971,194.97	523,450.05
Repayment of short term borrowings		(2,826,605.00)	(421,279.21)
Net Cash generated from Financing Activities	(C)	757,967.80	248,826.34
Net (Decreased/ Increase in Cash and Cash Equivalents during the year	(A+B+C)	(16,511.22)	56,063.47
Cash and Cash equivalents at beginning of the year (Refer note 3 below)		168,159.33	102,095.86
Cash and Cash equivalents at the end of the year		141,648.11	158,159.33

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011 India.
Chartered Accountants

Capital First Limited
Mumbai

CAPITAL FIRST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. In Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash in Hand	2,401.66	1,463.90
Cheques on hand	-	195.23
Balance with Banks		
- in current account	139,246.55	156,480.20
Total	141,648.11	158,159.33

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

3 The balances in unclaimed dividend accounts is not available for use by the Company and hence the same have been excluded.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director
DIN No. 00082595

Hunang Raja
Director
DIN No. 00040759

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place: Mumbai
Date : May 4, 2018

SB

Capital First Limited Mumbai

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Capital First Home Finance Limited

Report on the financial statements

We have audited the accompanying financial statements of Capital First Home Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report *(Continued)*

Capital First Home Finance Limited

Auditor's responsibility *(Continued)*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

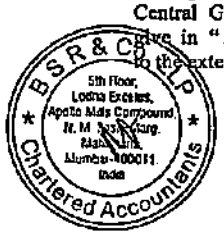
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 9 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



Independent Auditor's Report *(Continued)*

Capital First Home Finance Limited

Report on other legal and regulatory requirements *(Continued)*

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 33 to the financial statements;

   iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report - 31 March 2018

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) According to the information and explanation given to us, the Company does not have any fixed assets apart from Land, Accordingly, paragraph 3(i)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us, the Company does not have any fixed assets apart from Land, Accordingly, paragraph 3(i)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is in the business of housing finance and consequently, does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, good and services tax, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, employee state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, good and services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.



Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of any disputes.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	88.29	AY 2006-07	CIT(A)
Income Tax Act, 1961	Income Tax	1.40	AY 2012-13	CIT(A)

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in the repayment of outstanding dues to financial institution, bank, government or debenture holder during the year.

ix. According to the information and explanations given to us and based on our examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised. During the year, there were no money raised by way of initial public offer or further public offer.

x. According to the information and explanations give to us and based on our examination of the records of the Company no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable.



Capital First Home Finance Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

Capital First Home Finance Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Capital First Home Finance Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Capital First Home Finance Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018 *(Continued)*

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

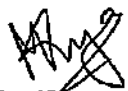
Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
3 May 2018

CAPITAL FIRST HOME FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	1,377,330,790	663,045,150
Reserves and surplus	4	642,359,050	251,549,782
		2,019,689,840	914,594,932
Non-current Liabilities			
Deferred tax liability (Net)	5	-	3,295,831
Long term borrowings	6	14,056,625,010	3,744,500,000
Other long term liabilities	7	276,179,507	70,971,472
Long term provisions	8	260,585,853	54,545,786
		14,593,390,370	3,873,313,089
Current Liabilities			
Short term borrowings	9	3,426,764,441	933,176,248
Trade payables	10		
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		293,956,676	92,398,022
Other current liabilities	11	3,267,277,191	1,292,857,123
Short term provisions	12	14,132,488	7,249,690
		7,002,130,796	2,285,181,083
TOTAL		23,615,211,006	7,073,089,104
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	13	1,947,384	-
		1,947,384	-
Deferred tax asset (net)	5	68,874,556	-
Long term loans and advances	14	19,668,610,255	6,005,019,288
Other non current assets	15	210,647,300	92,007,660
		19,949,779,497	6,097,026,948
Current Assets			
Cash and bank balances	16	2,463,515,177	727,898,618
Short term loans and advances	17	947,708,839	175,786,993
Other current assets	18	254,207,493	72,676,545
		3,665,431,509	976,062,156
TOTAL		23,615,211,006	7,073,089,104

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	19	1,662,794,163	708,309,080
Other income	20	40,845,770	3,836,944
Total Revenue		1,723,639,933	712,146,024
Expenses			
Employee benefits expense	21	167,007,279	46,900,318
Finance costs	22	955,744,959	404,812,898
Other expenses	23	443,761,126	163,325,524
Total Expenses		1,566,513,364	615,038,740
Profit before tax		157,126,569	97,107,284
Tax expense:			
- Current tax		117,814,457	26,132,443
- Deferred tax		(71,870,389)	5,736,130
- Tax for earlier years		169,380	852,245
		46,313,448	32,722,818
Profit after tax		110,813,121	64,384,466
Earnings per equity share:	24		
- Basic		0.97	0.97
- Diluted		0.97	0.97

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place: Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Valdyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01736973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

CAPITAL FIRST HOME FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from Operating Activities		
Profit before tax	157,126,569	97,107,284
Adjustments for:		
Provision for doubtful loans and advances	152,304,914	29,679,177
Provision for standard assets	55,615,979	8,356,817
Provision for employee benefits	5,246,535	-
Bad loans and trade receivables written off (net of recovery)	24,516,107	82,521,444
Profit on sale of investments	(40,365,870)	(3,515,691)
Operating profit before Working Capital changes	354,646,234	214,148,831
Adjustment for changes in working capital:		
(Decrease)/ Increase in Trade Payables	241,558,654	20,110,029
(Decrease)/ Increase in Long term Liabilities	205,206,035	31,671,411
(Decrease)/ Increase in Short term Liabilities	138,378,395	48,965,451
(Increase)/ Decrease in Short term Loans & Advances	(771,921,845)	39,653,293
(Increase)/ Decrease in Long term Loans & Advances	(13,683,893,251)	(2,192,549,197)
(Increase)/ Decrease in Short term other assets	(181,530,947)	(21,609,390)
(Increase)/ Decrease in Long term other assets	(118,809,640)	(57,943,392)
Cash used in from Operations	(13,816,394,365)	(1,917,650,964)
Less: Direct taxes paid	(122,644,220)	(35,507,178)
Net Cash used in Operating Activities	(13,939,038,585)	(1,953,158,143)
Cash flow from Investing Activities		
Proceeds from sale of current investments	28,819,865,870	4,399,215,891
Purchase of current investments	(28,779,500,000)	(4,395,700,000)
Purchase of Fixed asset	(1,947,384)	-
Net Cash generated from Investing Activities	38,418,486	3,515,891
Cash flow from Financing Activities		
Proceeds from issue of equity share capital	714,285,640	-
Proceeds from securities premium on issue of equity share capital	285,714,256	-
Payment of securities issue expenses	(5,718,109)	-
Proceeds from Long term borrowings	14,550,000,911	2,315,000,000
Proceeds from Short term borrowings	25,888,559,278	8,965,873,317
Proceeds from ICD	150,000,000	765,000,000
Repayment of Long term borrowings	(2,401,333,333)	(758,750,000)
Repayment of Short term borrowings	(23,375,071,083)	(6,605,684,672)
Repayment of ICD	(150,000,000)	(765,000,000)
Net Cash generated from Financing Activities	15,636,538,658	1,906,438,645
Net Increase / (decrease) in Cash and Cash Equivalents during the year	1,735,916,559	(43,203,607)
Cash and Cash Equivalents at the beginning of the year	727,598,618	770,802,225
Cash and Cash Equivalents at the end of the year	2,463,515,177	727,598,618



	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash on hand	11,374,916	8,499,753
Balance with banks:		
- In current accounts	2,452,140,261	719,098,865
Total	2,463,515,177	727,598,618

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 "Cash Flow Statements" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 WAY-100022
Chartered Accountants

Manoj Kumar Vijai
Partner
Membership No.046882

Place : Mumbai
Date : May 3, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST HOME FINANCE LIMITED

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place : Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
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N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Capital First Securities Limited

Report on the financial statements

We have audited the accompanying financial statements of Capital First Securities Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report *(Continued)*

Capital First Securities Limited

Auditor's responsibility *(Continued)*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 as included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 8 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

B S R & Co. LLP
5th Floor,
Lodha Excelus,
Apollo Mills Compound
Mumbai-400011
India
Chartered Accountants

Independent Auditor's Report *(Continued)*

Capital First Securities Limited

Report on other legal and regulatory requirements *(Continued)*

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 31 to the financial statements;

   iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report - 31 March 2018

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. According to the information and explanation given to us, the Company does not have any fixed assets, Accordingly, paragraph 3(i)(a), (b) and (c) of the Order is not applicable to the Company.

ii. The Company is in the business of advisory, business support services and loan syndication and consequently does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities granted.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, good and services tax, stamp duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, employee state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income-tax, service tax, good and services tax, stamp duty and other material statutory dues which were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable are as follows –

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
State Government	Stamp duty	13.26	December 2011 to September 2013	-	-

B S R & Co. LLP Chartered Accountants 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India

Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of any disputes.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9.05	AY 2009-10	CIT(A)

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any outstanding dues to financial institutions, bank, government or debenture holders at any point of time during the current financial year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any money by way of initial public offer/ further public offer, debt instruments and term loans during the current financial year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations give to us and based on our examination of the records of the Company no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable.



Capital First Securities Limited

"Annexure A" to the Independent Auditor's Report – 31 March 2018 *(Continued)*

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

Capital First Securities Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Capital First Securities Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Capital First Securities Limited

"Annexure B" to the Independent Auditor's Report 31 March 2018 *(Continued)*

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
28 April 2018

CAPITAL FIRST SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Amount in Rupees

Particulars	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	673,556,000	673,556,000
Reserves and Surplus	4	(18,500,638)	(195,051,527)
		655,055,362	**478,504,473**
Non - Current Liabilities			
Other Long term liabilities	5	85,788,789	69,853,801
Long term provisions	6	195,301	146,909
		85,984,090	**70,000,710**
Current Liabilities			
Trade payables	7		
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		1,659,954	1,495,186
Other current liabilities	8	60,661,415	54,456,388
Short term provisions	9	1,352,715	1,345,330
		63,674,084	**57,296,904**
TOTAL		**804,713,536**	**605,802,087**
ASSETS			
Non - Current Assets			
Non - current investments	10	282,800,000	282,800,000
Deferred tax assets (Net)	11	40,543,719	34,397,532
Other non current assets	12	16,720,584	15,722,825
Long term loans and advances	13	9,325,503	10,142,480
		349,389,806	**343,062,837**
Current Assets			
Current Investments	14	370,000,000	192,500,000
Trade receivables	15	84,518,780	4,633,696
Cash and bank balance	16	522,748	618,272
Short term loans and advances	17	282,202	64,987,282
		455,323,730	**262,739,250**
TOTAL		**804,713,536**	**605,802,087**
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

Anand Rai
Managing Director & Company Secretary A CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

CAPITAL FIRST SECURITIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rupees

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	18	220,558,691	133,629,689
Other Income	19	20,511,043	15,152,810
Total revenue		**241,069,734**	**148,782,499**
Expenses			
Employee benefits expense	20	18,507,214	15,096,061
Finance costs	21	932	9,081
Other expenses	22	5,446,886	3,204,886
Total Expenses		**23,955,032**	**18,310,028**
Profit before tax		**217,114,702**	**130,472,471**
Tax expense:			
- Current tax		-	21,740,001
Minimum Alternate Tax		46,710,000	-
- Deferred tax		(6,146,187)	(34,397,532)
		40,563,813	**(12,657,531)**
Profit after tax		**176,550,889**	**143,130,002**
Earnings per Equity Share:	23		
- Basic (Face value of Rs. 10/-)		2.91	2.30
- Diluted (Face value of Rs. 10/-)		2.91	2.30
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

Anand Rai
Managing Director & Company Secretary & CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

CAPITAL FIRST SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	For the year ended March 31, 2018		For the year ended March, 2017	
Profit before tax		**217,114,702**		**130,472,471**
Adjustments for:				
Excess Provision written back	(115,725)		(570,903)	
Provision for doubtful advances	-		-	
Provision for Gratuity	49,172		147,705	
Profit on sale of Investment	(19,286,694)		(13,048,424)	
Interest Income	(1,108,624)		(1,045,795)	
Provision for doubtful advances	1,500,000		-	
		(18,961,871)		(14,517,417)
Operating Profit Before Working Capital Changes		**198,152,831**		**115,955,054**
(Increase)/ decrease in trade and other receivables	-		-	
(Increase)/Decrease in short term loans & advances	63,707,321		(47,349,013)	
(Increase)/ Decrease in trade receivables	(81,385,084)		(4,626,088)	
Increase/ (decrease) in trade payables	164,768		662,094	
Increase/ (decrease) in other current liabilities	22,255,740		31,705,278	
Increase/ (decrease) in short term provisions	6,604		17,692	
		4,749,349		(19,590,037)
Cash from / (used) in operations		202,902,180		96,365,017
Income taxes (refund) /paid		(45,893,023)		(19,454,586)
Net Cash from Operating Activities		**157,009,157**		**76,910,431**
Cash flows from investing activities				
Purchase of Investments	(370,000,000)		(606,300,000)	
Proceeds from sale of investments	211,786,694		524,748,425	
Interest received	1,108,624		1,045,795	
Net cash (used in) / from investing activities		**(157,104,682)**		**(80,505,780)**
Cash flows from financing activities				
Net cash used in financing activities		-		-
Net decrease in cash and cash equivalents during the year		**(95,525)**		**(3,595,351)**
Cash and cash equivalents at beginning of year		**618,272**		4,213,623
Cash and cash equivalents at end of year		**522,748**		**618,272**

	As at March 31, 2018	As at March 31, 2017
Cash & Cash equivalents:		
Cash on hand and bank balances	522,748	618,272
Total	**522,748**	**618,272**

Note:

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rule 7 of the Companies Accounts Rules, 2014 and the Companies (Accounting Standard) Amendment Rule 2016

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

Manoj Kumar Vijai
Partner

Membership No.046882

Place: Mumbai
Date: April 28, 2018

For and on behalf of the Board of Directors of
Capital First Securities Limited

Anand Rai
Managing Director &
Company Secretary & CFO
DIN 07019167

Gourav Mardia
Director
DIN '06527313

Place: Mumbai
Date: April 28, 2018

CAPITAL FIRST SECURITIES LIMITED

NOTE

NOTE

NOTE

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

ATTENDANCE SLIP

(To be presented at the entrance)

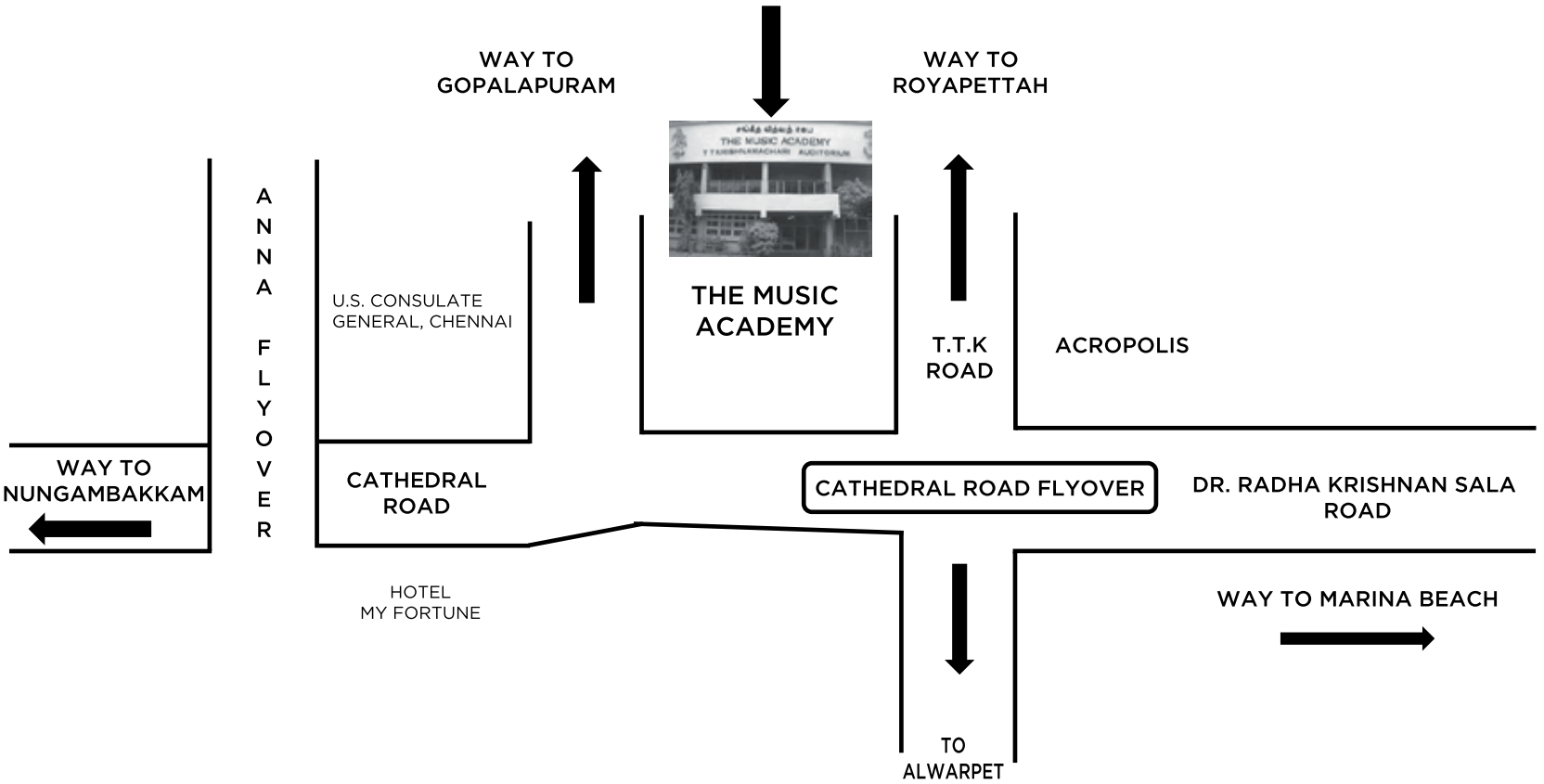
ISIN No./DP ID & Client ID	
Name and Address of the Secured Creditor	
Full name of Proxy/Authorised Representative	
Secured Creditor's/Proxy's/Authorised Representative's Signature	

I hereby record my presence at the Meeting of the Secured Creditors of the Applicant/Amalgamated Company, convened as per the directions of the National Company Law Tribunal, Chennai Bench, pursuant to the Order dated July 19, 2018 passed in Company Scheme Application No. 132 of 2018 held on **Monday, September 03, 2018** at **9:30 a.m.** at The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India.

Notes:

1. **An Secured Creditor / Proxy / Authorised Representative needs to furnish duly signed 'Attendance Slip' along with a valid Identity proof such as PAN card, Passport, Aadhaar card or Driving License to enter the Meeting hall.**
2. Secured Creditor / Proxy / Authorised Representative is requested to bring his / her copy of the Notice for reference at the Meeting.

THE MUSIC ACADEMY, T.T.K AUDITORIUM (MAIN HALL),
Near Acropolis Building, New No. 168 (Old No. 306),
T.T.K. Road, Royapettah, Chennai - 600 014



ROUTE MAP FOR IDFC BANK NCLT CONVENED MEETING

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

IDFC Bank Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031; Tel: +91 44 4564 4000; Fax: +91 44 4564 4022	))))	**…Applicant/Amalgamated Company**

SECURED CREDITORS

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1.	Name of the Secured Creditor :	
2.	Address :	
3.	DP ID No. /Client ID No./ISIN No. : (Please refer Note No. 3 below)	
4.	Principal amount due as on July 13, 2018 : (Please refer Note No. 3 below)	

I/We, being Secured Creditor(s) of the Applicant/Amalgamated Company, hereby appoint :

1. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
2. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: ..... or failing him
3. Name : ..... E-mail ID : .....
   Address: .....
   ..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Meeting of the Secured Creditors of the Applicant/Amalgamated Company, convened as per the directions of the National Company Law Tribunal, Chennai Bench pursuant to the Order dated July 19, 2018 passed in Company Scheme Application No. 132 of 2018 to be held on **Monday, September 03, 2018** at **9:30 a.m.** at the Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India and at any adjournment thereof in respect of the resolution as is indicated below:

Sr. No.	Particulars	Vote (Optional#) (Please put a (✓) mark or please mention no. of shares)	
		For	Against
1.	To approve the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013		

Signed this _____ day of _____ 2018

Affix Revenue Stamp of ₹ 1

Signature of Secured Creditor _____ Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank i.e. KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031 not less than 48 hours before the commencement of the Meeting.

#2. It is optional to indicate your preference. If you leave the 'For' or 'Against' column blank, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

3. In case of multiple ISINs/Schemes, please attach a duly signed and stamped Annexure giving details for Point No. 3 and 4 above.

4. In case the Secured Creditor is an entity, the duly completed Proxy Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the Proxy holder.

IDFC BANK

IDFC Bank Limited

CIN: L65110TN2014PLC097792
Email: bank.info@idfcbank.com, **Website:** www.idfcbank.com
Regd. Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031;
Tel: + 91 44 4564 4000; **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051;
Tel: +91 22 7132 5500; **Fax:** +91 22 2654 0354

POSTAL BALLOT FORM
Secured Creditors

(Please read the instructions carefully before completing this form)

1. Name and address of the Secured Creditor (IN BLOCK LETTERS) :

2. DP ID No./ Client ID No. /ISIN No. :

3. Principal Amount due as on July 13, 2018 (in Rs.) :

4. I/We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the Notice dated July 20, 2018 of IDFC Bank Limited by sending my/our assent (For) or dissent (Against) to the said resolution by placing the tick mark (✓) at the appropriate column below.

Description of Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Approval of Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.		

Place:

Date:

Signature of the Secured Creditor

Notes:
1. For sending hard copy of the Postal Ballot Form, please refer the instructions overleaf.
2. In case of multiple ISINs/ Schemes, please attach a duly signed and stamped Annexure giving details for Point No. 2 and 3 above.

INSTRUCTIONS

1. The Chennai Bench of the Hon'ble National Company Law Tribunal ('NCLT'), vide its Order dated July 19, 2018, has directed that a Meeting of the Secured Creditors of the Applicant/Amalgamated Company be convened and held at The Music Academy, T.T.K Auditorium (Main Hall), Near Acropolis Building, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014, Tamil Nadu, India on Monday, September 03, 2018 at 9:30 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited with IDFC Bank Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. Pursuant to Sections 230 to 232 and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, assent or dissent of the Secured Creditors in respect of the resolution detailed in the Notice dated July 20, 2018 is being additionally sought through Postal Ballot process.

3. The voting period for Postal Ballot shall commence on and from Saturday, August 04, 2018 at 9:00 a.m. IST and ends on Sunday, September 02, 2018 at 5:00 p.m. IST.

4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than Sunday, September 02, 2018 at 5:00 p.m. IST. Postal Ballot Forms received thereafter will be strictly treated as if reply from such Secured Creditor has not been received. The Secured Creditors are requested to send the duly completed Postal Ballot Forms well before the last date, providing sufficient time for postal transit. Secured Creditors from whom no Postal Ballot Form is received or received after the aforesaid stipulated date shall not be counted for voting on the resolution.

5. A Secured Creditor desiring to exercise vote by Postal Ballot Form is requested to carefully read these instructions and return the duly completed form in the attached self-addressed postage pre-paid business reply envelope, so as to reach the Scrutinizer Mr. B Narasimhan, Practising Company Secretary of M/s. BN & Associates at c/o IDFC Bank Limited, 6th Floor, Naman Chambers , C-32, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051 on or before 5:00 p.m. on Sunday, September 02, 2018.

6. Please convey your assent in column "FOR" or dissent in the column "AGAINST" by placing a tick (√) mark in the appropriate column in the Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.

7. The voting rights will be in proportion to the principal amount due in the name of the respective Secured Creditor as on Friday, July 13, 2018, being the 'cut-off date'.

8. Voting by Postal Ballot can be exercised only by the Secured Creditor or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person. Voting rights in a Postal Ballot cannot be exercised by a Proxy. Secured Creditors can opt only one mode for voting i.e. Postal Ballot Form or Poll exercised at the Meeting.

9. Secured Creditors who have cast their votes by Postal Ballot can also attend the Meeting.

10. An Secured Creditor desirous of exercising vote by Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid business reply envelope which shall be properly sealed with the adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the Secured Creditor but using self-addressed postage pre-paid envelope will be accepted. Secured Creditors are requested to convey their assent or dissent in this Postal Ballot Form only.

11. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Chairperson as per the directions of NCLT.

12. In case the Secured Creditor is an entity, the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.

13. Secured Creditors are requested not to send any paper (other than the resolution/authority/POA) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

14. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form will be rejected.

15. An Secured Creditor may download the Postal Ballot Form from the website of the Bank i.e. www.idfcbank.com.

16. The proposed Scheme of Amalgamation, if assented by majority of Secured Creditors representing three-fourth in value of those Secured Creditors who have voted either by Postal Ballot or voting by Poll at the Meeting, shall be considered as passed on the date of the Meeting i.e. Monday, September 03, 2018. The result of the voting on the resolution will be declared on or before Wednesday, September 05, 2018.

17. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.

18. Any query in relation to the resolution may be sent to: debt.investors@idfcbank.com.

www.basantenvelopes.in