

Auditor's Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To,
Board of Directors
Capital First Limited

1. We have audited the quarterly consolidated financial results of Capital First Limited for the quarter ended September 30, 2014 and the consolidated year to date results for the half year ended September 30, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the year to date financial results have been prepared from condensed interim consolidated financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such condensed interim consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. 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. 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.
3. We did not audit the financial statements of one subsidiary included in the consolidated quarterly financial results and the consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs. 54.38 lakhs as at September 30, 2014; as well as the total revenue of Rs. 0.16 lakhs for the quarter ended September 30, 2014 and Rs. 416.90 lakhs for the half year ended September 30, 2014. Consequently the unaudited financial statement of such subsidiary Company for the quarter and half year ended September 30, 2014 as certified by the management of Capital First Limited has been used for the consolidation and we have relied upon the same. Our opinion is not qualified in respect of this matter.
4. We report that quarterly and year to date condensed interim consolidated financial statements have been prepared by the Capital First Limited management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated financial statements, specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014).



S.R. BATLIBOI & CO. LLP

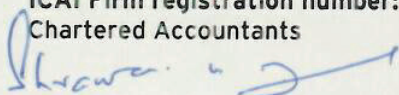
Chartered Accountants

5. In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date financial results:
- (i) include the quarterly financial results and year to date of the following entities:
 - a) Capital First Limited;
 - b) Capital First Securities Limited;
 - c) Capital First Investment Advisory Limited;
 - d) Capital First Commodities Limited;
 - e) Capital First Home Finance Private Limited; and
 - f) Anchor Investment & Trading Private Limited
 - (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended September 30, 2014 as well as the consolidated year to date financial results for the half year ended September 30, 2014.
6. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E

Chartered Accountants



per Shrawan Jalan

Partner

Membership No.: 102102

Chartered Accountants

Mumbai

Date 07/11/2014



STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

PART I

PARTICULARS		QUARTER ENDED			HALF YEAR ENDED		(Rs. In Lakhs)
		30.09.2014 (Audited)	30.06.2014 (Audited)	30.09.2013 (Audited)	30.09.2014 (Audited)	30.09.2013 (Audited)	31.03.2014 (Audited)
1	Income from operations						
	a) Income from operations	34,539.44	31,595.90	25,340.93	66,135.34	50,050.63	105,990.69
	b) Other operating income	218.72	1,104.00	224.19	1,322.72	279.80	750.00
	Total Income from operations (net)	34,758.16	32,699.90	25,565.12	67,458.06	50,330.43	106,740.69
2	Expenses						
	a) Employee benefits expenses	3,304.96	3,318.39	3,399.57	6,623.35	7,067.08	13,202.58
	b) Depreciation and amortisation expense (refer note 'd')	235.83	238.68	162.52	474.51	331.47	643.15
	c) Provision and write offs	2,181.42	2,123.88	1,316.89	4,305.30	2,651.89	5,096.61
	d) Amortised loan origination cost	1,414.49	1,122.05	1,188.56	2,536.54	2,163.68	5,101.55
	e) Legal and Professional charges	1,654.70	1,360.63	1,075.89	3,015.33	1,556.97	3,680.99
	f) Goodwill written off	-	644.88	-	644.88	-	-
	g) Other expenses	2,522.57	2,360.95	1,958.15	4,883.52	4,170.61	8,741.76
	Total Expenses	11,313.97	11,169.46	9,101.58	22,483.43	17,941.70	36,466.64
3	Profit from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	23,444.19	21,530.44	16,463.54	44,974.63	32,388.73	70,274.05
4	Other Income	5.50	667.00	54.46	672.50	178.92	311.19
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	23,449.69	22,197.44	17,018.00	45,647.13	32,567.65	70,585.24
6	Finance Costs (refer note 'e')	19,279.86	18,951.96	15,869.54	38,231.82	30,681.69	64,682.49
7	Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6)	4,169.83	3,245.48	1,148.46	7,415.31	1,885.96	5,902.75
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary activities before tax (7+8)	4,169.83	3,245.48	1,148.46	7,415.31	1,885.96	5,902.75
10	Tax expense (including Deferred Tax)	1,464.84	1,160.86	432.30	2,625.69	617.42	639.93
11	Net Profit from Ordinary activities after tax (9-10)	2,704.99	2,084.62	716.16	4,789.62	1,268.54	5,262.82
12	Extraordinary Item	-	-	-	-	-	-
13	Net Profit for the period / year (11-12)	2,704.99	2,084.62	716.16	4,789.62	1,268.54	5,262.82
14	Paid up Equity Share Capital (Face Value-Rs.10 per share)	8,300.70	8,281.52	6,788.49	8,300.70	7,102.43	8,263.15
15	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	-	-	108,899.49
16	a) Earnings per share (EPS) (before Extraordinary items) (Face Value-Rs.10 per share) *						
	-Basic (Rs.)	3.26	2.52	1.01	5.78	1.79	7.40
	-Diluted (Rs.)	3.21	2.51	1.00	5.69	1.78	7.38
	b) Earnings per share (EPS) (after Extraordinary items) (Face Value-Rs.10 per share) *						
	-Basic (Rs.)	3.26	2.52	1.01	5.78	1.79	7.40
	-Diluted (Rs.)	3.21	2.51	1.00	5.69	1.78	7.38
*EPS for the quarters and half years are not annualised							

PART II

PARTICULARS OF SHAREHOLDING							
1	Public shareholding						
	-Number of shares	23,521,367	23,329,617	19,913,747	23,521,367	19,913,747	23,145,867
	-Percentage of shareholding	28.34%	28.17%	28.04%	28.34%	28.04%	28.01%
2	Promoters and Promoter Group shareholding						
	a) Pledged/ Encumbered						
	-Number of shares	-	-	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	-	-	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non-encumbered						
	-Number of shares	59,485,602	59,485,602	51,110,577	59,485,602	51,110,577	59,485,602
	-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	-Percentage of shares (as a % of the total share capital of the company)	71.66%	71.83%	71.96%	71.66%	71.96%	71.99%

PARTICULARS		QUARTER ENDED 30.09.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed of during the quarter	-
	Remaining unresolved at the end of the quarter	-

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BY**

**S. R. BATLIBOI & CO. LLP
MUMBAI**



Notes

- a. The audited consolidated financial results relates to Capital First Limited (the "Company") and its subsidiaries. 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' specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013) (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 audited consolidated financial results for the quarter and half year ended September 30, 2014, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on November 07, 2014.
- c. During the quarter ended September 30, 2014, 62,500 Employee Stock Options granted to eligible employees under various CFL – Employee Stock Option Schemes were cancelled and the same are eligible for reissue.
- d. Pursuant to the Companies Act, 2013 (the "Act") becoming effective from April 01, 2014, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. This has resulted in additional charge of depreciation of Rs. 46.89 lakhs and Rs. 143.47 lakhs for the quarter and half year ended September 30, 2014 respectively. Further, as per the transitional provision, the Company has adjusted Rs. 67.14 lakhs (net of deferred tax) in the opening balance of Surplus in Statement of Profit and Loss.
- e. During the quarter ended September 30, 2014, the Company has changed its accounting policy related to accounting of debenture issue expenses. The debenture issues expenses which are allowed by the Companies Act, 2013, to be charged against Securities Premium under Reserves and Surplus is now being amortised over the life of debentures on a conservative basis. Consequent to the change in accounting policy, other borrowing costs for the quarter and half year ended September 30, 2014 is higher by Rs. 34.54 lakhs.
- f. At the consolidated level, the main 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 the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013) (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.
- g. Figures for previous quarter/half year/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter's classifications.
- h. The Standalone Financial Results are available on the Company's website viz. www.capfirst.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Place : Mumbai
Date : November 07, 2014

For Capital First Limited

V. Valdyanathan
Chairman & Managing Director

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STANDALONE FINANCIALS SUMMARY

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		(Rs. in Lakhs)
	30.09.2014 (Audited)	30.06.2014 (Audited)	30.09.2013 (Audited)	30.09.2014 (Audited)	30.09.2013 (Audited)	31.03.2014 (Audited)
Revenues (including other income)	34,420.87	32,633.45	25,781.82	67,054.32	49,690.85	107,971.22
Exceptional item	-	-	(3,150.00)	-	(3,150.00)	(3,444.75)
Profit/(Loss) before tax	3,979.29	3,279.52	(2,002.07)	7,258.81	(1,127.37)	4,088.60
Profit/(Loss) after tax	2,590.70	2,200.63	(2,401.49)	4,791.33	(1,644.81)	3,698.35

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	(Rs. in Lakhs)	
	As at 30.09.2014 (Audited)	As at 31.03.2014 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	8,300.70	8,202.18
(b) Reserves and Surplus (refer note 'd')	114,996.98	108,899.49
Sub-total shareholders' funds	123,297.68	117,101.67
2 Share application money pending allotment	-	83.56
3 Non - Current Liabilities		
(a) Long term borrowings	483,040.13	557,009.18
(b) Other Long term liabilities	4,452.06	3,836.26
(c) Long term provisions	9,233.85	9,528.74
Sub-total non-current liabilities	496,726.04	570,374.18
4 Current Liabilities		
(a) Short term borrowings	160,733.48	146,644.64
(b) Trade payables	6,983.03	6,602.69
(c) Other current liabilities	210,118.49	168,623.82
(d) Short term provisions	4,006.39	3,790.12
Sub-total current liabilities	381,841.39	325,661.27
TOTAL - EQUITY & LIABILITIES	1,001,865.11	1,013,220.68
B ASSETS		
1 Non-Current Assets		
(a) Fixed Assets	2,321.26	3,401.27
(b) Non - current investments	110.71	110.71
(c) Deferred tax assets (Net)	2,809.12	1,708.03
(d) Long term loans and advances	652,019.36	500,851.89
(e) Other non current assets	25,955.70	25,176.38
Sub-total non-current assets	683,216.15	531,248.28
2 Current Assets		
(a) Current Investments	3,525.00	34,631.52
(b) Trade receivables	1,921.10	935.97
(c) Cash and Bank Balances	90,964.15	201,307.51
(d) Short term loans and advances	198,099.81	224,105.96
(e) Other current assets	24,138.90	20,991.44
Sub-total current assets	318,648.96	481,972.40
TOTAL - ASSETS	1,001,865.11	1,013,220.68

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