

Auditor's Report on Quarterly Financial Results and 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 financial results of Capital First Limited for the quarter ended September 30, 2014 and 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 quarterly financial results as well as the year to date financial results have been prepared from condensed interim 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 financial results based on our audit of such condensed interim 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. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date financial results:
 - (i) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (ii) give a true and fair view of the net profit and other financial information for the quarter ended September 30, 2014 as well as the year to date results for the half year ended September 30, 2014.
4. 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 number of shares as well as percentage of shareholdings in respect of aggregate amount of 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



CAPITAL FIRST LIMITED
(CIN no. L29120MH2005PLC156795)

Regd. Office : 15th Floor, Tower 2, IndiaBulls Finance Centre, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013

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

PART I

(Rs. in Lakhs)

PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	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	34,270.11	31,350.76	25,648.68	65,620.87	49,467.96	105,240.83
b) Other operating income	150.76	1,040.64	133.14	1,191.40	133.14	2,629.34
Total Income from operations (net)	34,420.87	32,391.40	25,781.82	66,812.27	49,601.10	107,870.17
2 Expenses						
a) Employee benefits expenses	3,283.32	3,280.94	3,215.44	6,564.26	6,686.92	12,639.37
b) Depreciation and amortisation expense (refer note 'c')	235.83	238.68	140.01	474.51	286.08	569.21
c) Provision and write offs	2,145.35	2,112.50	1,251.76	4,257.85	2,160.04	5,249.87
d) Amortised loan origination cost	1,405.73	1,117.37	1,188.55	2,523.10	2,163.67	5,099.50
e) Legal and Professional charges	1,646.01	1,351.00	1,062.93	2,997.01	1,524.09	3,620.28
f) Other expenses	2,503.80	2,331.55	1,795.14	4,835.35	3,906.24	8,276.89
Total Expenses	11,220.04	10,432.04	8,653.83	21,652.08	16,727.04	35,455.12
3 Profit from Operations before Other Income, Finance Cost & Exceptional items (1-2)	23,200.83	21,959.36	17,127.99	45,160.19	32,874.06	72,415.05
4 Other Income	-	242.05	-	242.05	89.75	101.05
5 Profit from Ordinary activities before Finance costs & Exceptional items (3+4)	23,200.83	22,201.41	17,127.99	45,402.24	32,963.81	72,516.10
6 Finance Costs (refer note 'd')	19,221.54	18,921.89	15,980.06	38,143.43	30,941.18	64,982.75
7 Profit from Ordinary activities after Finance costs but before Exceptional items (5-6)	3,979.29	3,279.52	1,147.93	7,258.81	2,022.63	7,533.35
8 Exceptional Items	-	-	(3,150.00)	-	(3,150.00)	(3,444.75)
9 Profit/(Loss) from Ordinary activities before tax (7+8)	3,979.29	3,279.52	(2,002.07)	7,258.81	(1,127.37)	4,088.60
10 Tax expense (including Deferred Tax)	1,388.59	1,078.89	399.42	2,467.48	517.44	390.25
11 Net Profit/(Loss) from Ordinary activities after tax (9-10)	2,590.70	2,200.63	(2,401.49)	4,791.33	(1,644.81)	3,698.35
12 Extraordinary Item	-	-	-	-	-	-
13 Net Profit/(Loss) for the period / year (11-12)	2,590.70	2,200.63	(2,401.49)	4,791.33	(1,644.81)	3,698.35
14 Paid up Equity Share Capital (Face Value-Rs.10 per share)	8,300.70	8,281.52	7,102.43	8,300.70	7,102.43	8,283.15
15 Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	-	-	105,281.87
16 a) Earnings per share (EPS) (before Extraordinary items) (Face Value-Rs.10 per share) *						
-Basic (Rs.)	3.12	2.66	(3.38)	5.78	(2.32)	5.20
-Diluted (Rs.)	3.08	2.65	(3.38)	5.69	(2.32)	5.19
b) Earnings per share (EPS) (after Extraordinary items) (Face Value-Rs.10 per share) *						
-Basic (Rs.)	3.12	2.66	(3.38)	5.78	(2.32)	5.20
-Diluted (Rs.)	3.08	2.65	(3.38)	5.69	(2.32)	5.19

*EPS for the quarters and half years are not annualised

PART II

A 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	-

**SIGNED FOR IDENTIFICATION
BY**

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



Notes

- a. The audited 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.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. Figures for previous quarter/half year/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter's classifications.

For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director

Place : Mumbai
Date : November 07, 2014

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MUMBAI



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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at September 30, 2014 (Audited)	As at March 31, 2014 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	8,300.70	8,202.18
(b) Reserves and Surplus (refer note 'c')	111,773.87	105,281.87
Sub-Total shareholders' funds	120,074.57	113,484.05
2 Share application money pending allotment	-	83.56
3 Non - current liabilities		
(a) Long term borrowings	478,752.46	554,196.68
(b) Other long term liabilities	4,367.76	3,786.45
(c) Long term provisions	9,290.03	9,218.10
Sub-Total non-current liabilities	492,410.25	567,201.23
4 Current Liabilities		
(a) Short term borrowings	163,460.98	149,372.14
(b) Trade payables	6,885.38	6,449.35
(c) Other current liabilities	201,601.93	160,076.13
(d) Short term provisions	3,907.44	4,077.78
Sub-Total current liabilities	375,855.73	319,975.40
TOTAL-EQUITY & LIABILITIES	988,340.55	1,000,744.24
B ASSETS		
1 Non - current assets		
(a) Fixed Assets	2,321.26	2,756.39
(b) Non - current investments	8,039.80	8,039.80
(c) Deferred tax assets (Net)	2,823.25	1,672.05
(d) Long term loans and advances	638,295.40	492,506.86
(e) Other non current assets	25,856.63	25,113.82
Sub-Total non-current assets	677,336.34	530,088.92
2 Current Assets		
(a) Current Investments	-	34,631.52
(b) Trade receivables	1,921.10	895.32
(c) Cash and cash equivalents	90,280.46	198,962.17
(d) Short term loans and advances	202,153.85	222,595.19
(e) Other current assets	16,648.80	13,571.12
Sub-Total current assets	311,004.21	470,655.32
TOTAL ASSETS	988,340.55	1,000,744.24

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