

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of  
Capital First Limited

1. We have audited the quarterly consolidated financial results of Capital First Limited ('the Company') for the quarter ended March 31, 2016 and the consolidated financial results for the year ended March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of the third quarter of the current financial year, which were audited by us. The consolidated financial results for the quarter ended March 31, 2016 and year to date ended March 31, 2016 have been prepared on the basis of the consolidated financial statements as at and for the year ended December 31, 2015, the audited annual consolidated financial statements as at and for the year ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial results for the nine-month period ended December 31, 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated financial statements as at and for the year ended March 31, 2016; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 misstatements. 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 consolidated financial results as well as the year to date results:
  - i. include the quarterly financial results and year-to-date results of the following entities:
    - a) Capital First Limited;
    - b) Capital First Securities Limited;
    - c) Capital First Commodities Limited;
    - d) Capital First Home Finance Limited; and
    - e) Anchor Investment and Trading Private Limited
  - ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - iii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2016 and for the year ended March 31, 2016.
4. We did not audit the financial statements of a subsidiary included in the consolidated quarterly financial results and consolidated year to date results, whose financial statements reflect total assets of Rs. NIL as at March 31, 2016; as well as the total revenue of Rs. 16.36 lacs for the year ended March 31, 2016 and Rs. NIL as at the quarter ended March 31, 2016. These unaudited interim financial statements and other financial information have been certified and furnished to us by the management of Capital First Limited, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such unaudited financial statements is based solely on the certified unaudited interim financial statement provided by management.

# **S.R. BATLIBOI & Co. LLP**

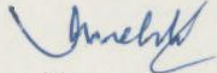
Chartered Accountants

In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group. Our opinion is not qualified in respect of this matter

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Viren H. Mehta

Partner

Membership Number: 048749

Place of Signature: Mumbai

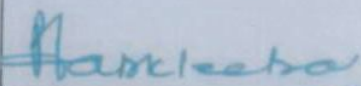
Date: 13<sup>th</sup> May 2016



**FORM A**  
**(For Audit Report on Consolidated Financial Results with Unmodified Opinion)**

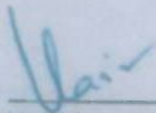
1.	Name of the Company	Capital First Limited
2.	Annual financial statements for the year ended	March 31, 2016
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	Not Applicable

For Capital First Limited



Pankaj Sanklecha  
Chief Financial Officer &  
Head Corporate Centre





V. Vaidyanathan  
Chairman &  
Managing Director  
(DIN 00082596)

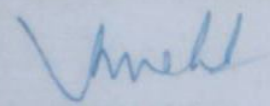




Dinesh Kanabar  
Chairman  
Audit Committee  
(DIN: 00003252)



For S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants



per Viren H. Mehta  
Partner  
Membership No. 048749





**STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND THE YEAR ENDED MARCH 31, 2016**

**PART I**

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2016 (Audited) (refer note 'j')	31.12.2015 (Audited)	31.03.2015 (Audited) (refer note 'j')	31.03.2016 (Audited)	31.03.2015 (Audited)
<b>1 Income from operations</b>					
a) Income from operations	55,919.93	49,558.61	38,413.25	188,223.87	142,441.80
b) Other operating income	13.22	75.74	91.17	581.72	1,504.20
<b>Total Income from operations (net)</b>	<b>55,933.15</b>	<b>49,634.35</b>	<b>38,504.42</b>	<b>188,805.59</b>	<b>143,946.00</b>
<b>2 Expenses</b>					
a) Employee benefits expenses	4,826.16	4,895.98	3,363.37	17,681.26	13,582.84
b) Depreciation and amortisation expense	268.42	259.48	274.19	995.53	995.65
c) Provision and write offs (Refer note 'c' and 'd')	7,659.57	8,191.42	3,180.77	23,647.60	10,545.25
d) Amortised loan origination cost	4,129.80	3,401.40	3,188.56	12,321.38	10,052.91
e) Legal and Professional charges	1,330.77	1,250.08	787.37	4,221.20	2,908.67
f) Goodwill written off	-	-	-	-	644.88
g) Other expenses	5,235.60	3,660.79	2,952.65	15,101.28	10,516.65
<b>Total Expenses</b>	<b>23,450.12</b>	<b>19,459.13</b>	<b>13,746.91</b>	<b>73,968.16</b>	<b>49,244.85</b>
<b>3 Profit from Operations before Other Income, Finance Cost &amp; Exceptional Items (1-2)</b>	<b>32,382.63</b>	<b>30,175.22</b>	<b>24,757.51</b>	<b>114,837.44</b>	<b>94,701.15</b>
<b>4 Other Income</b>	<b>0.17</b>	<b>64.28</b>	<b>7.91</b>	<b>102.06</b>	<b>711.27</b>
<b>5 Profit from ordinary activities before Finance costs &amp; Exceptional Items (3+4)</b>	<b>32,382.80</b>	<b>30,239.50</b>	<b>24,765.42</b>	<b>114,939.50</b>	<b>95,412.42</b>
<b>6 Finance Costs (Refer note 'e')</b>	<b>25,237.67</b>	<b>23,483.79</b>	<b>20,084.61</b>	<b>89,724.60</b>	<b>78,780.65</b>
<b>7 Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6)</b>	<b>7,145.13</b>	<b>6,775.71</b>	<b>4,680.81</b>	<b>25,214.90</b>	<b>16,631.77</b>
<b>8 Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9 Profit from Ordinary activities before tax (7+8)</b>	<b>7,145.13</b>	<b>6,775.71</b>	<b>4,680.81</b>	<b>25,214.90</b>	<b>16,631.77</b>
<b>10 Tax expense (including Deferred Tax)</b>	<b>2,394.90</b>	<b>2,323.00</b>	<b>1,033.51</b>	<b>8,596.39</b>	<b>5,203.61</b>
<b>11 Net Profit from Ordinary activities after tax (9-10)</b>	<b>4,750.23</b>	<b>4,452.71</b>	<b>3,647.30</b>	<b>16,618.51</b>	<b>11,428.16</b>
<b>12 Extraordinary Item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 Net Profit for the period (11-12)</b>	<b>4,750.23</b>	<b>4,452.71</b>	<b>3,647.30</b>	<b>16,618.51</b>	<b>11,428.16</b>
<b>14 Share of profit/ (loss) of associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15 Minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16 Net Profit after taxes, minority interest and share of profit/ (loss) of associates (13+14+15)</b>	<b>4,750.23</b>	<b>4,452.71</b>	<b>3,647.30</b>	<b>16,618.51</b>	<b>11,428.16</b>
<b>17 Paid up Equity Share Capital (Face Value-Rs.10 per share)</b>	<b>9,123.77</b>	<b>9,119.17</b>	<b>9,098.23</b>	<b>9,123.77</b>	<b>9,098.23</b>
<b>18 Reserves excluding Revaluation Reserves as per balance sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,212.28</b>	<b>148,278.40</b>
<b>19 i) Earnings per share (EPS) (before Extraordinary items) (of Rs.10/- each)</b>					
-Basic (Rs.)	5.21	4.50	4.39	18.24	13.75
-Diluted (Rs.)	4.95	4.27	4.24	17.33	13.11
<b>ii) Earnings per share (EPS) (after Extraordinary items) (of Rs.10/- each)</b>					
-Basic (Rs.)	5.21	4.50	4.39	18.24	13.75
-Diluted (Rs.)	4.95	4.27	4.24	17.33	13.11

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BY *[Signature]*  
S. R. BATLIBOI & CO. LLP  
MUMBAI

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## Notes

- The audited consolidated financial results relates 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'. 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.
- The consolidated financial results for the year ended March 31, 2016, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on May 13, 2016.
- During the quarter ended June 30, 2015, the Company had changed its estimates related to provisioning for mortgage loans. Consequent to the change in such estimates, provision and write off for the quarter and year ended March 31, 2016 is higher by Rs. 374.85 lakhs and Rs. 1,338.68 lakhs respectively.
- During the quarter ended March 31, 2016, the Company has changed its estimates related to provisioning for unsecured micro credit loans. Consequent to the change in such estimates, provision and write off for the quarter and year ended March 31, 2016 is higher by Rs. 515.47 lakhs.
- During the quarter ended September 30, 2015, the Company has changed its policy related to debenture issue expenses. The debenture issue expenses aggregating to Rs. 1,472.71 lakhs (net of tax) are charged against Securities Premium Account as per Section 52 of the Companies Act, 2013 which were hitherto amortised and charged to the Statement of Profit and Loss Account. Consequent to the change in such policy, profit for the quarter and year ended March 31, 2016 is higher by Rs. 110.28 lakhs and Rs. 238.09 lakhs respectively.
- RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 has revised the asset classification norms for NPAs 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. 1,824.51 lakhs. However, there is no significant impact of this change on provision for the quarter ended March 31, 2016.
- During the quarter and year ended March 31, 2016, 46,020 stock options and 255,475 stock options respectively were exercised by eligible employees under various CFL Employees Stock Options Schemes.
- 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' notified under section 133 of the Companies Act 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014'.
- The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs. 2.40 per share (24%).
- The figures for the last quarter of the current year and for the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.
- The Standalone Financial Results are available on the Company's website viz. [www.capitalfirst.com](http://www.capitalfirst.com) and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

## STANDALONE FINANCIALS SUMMARY

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2016 (Audited)	31.12.2015 (Audited)	31.03.2016 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
Revenues (including other income)	54,581.27	48,683.30	37,923.93	184,784.06	142,593.19
Profit before tax	6,689.23	6,400.39	4,545.19	23,861.37	16,131.92
Profit after tax	4,431.29	4,185.31	3,562.49	15,691.06	11,202.03

For CAPITAL FIRST LIMITED

V. Vaidyanathan  
Chairman & Managing Director  
DIN No.00082596

Place : Mumbai  
Date : May 13, 2016



**STATEMENT OF AUDITED ASSETS AND LIABILITIES (CONSOLIDATED)**

PARTICULARS	(Rs. in Lakhs)	
	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
<b>A EQUITY AND LIABILITIES</b>		
1 Shareholders' Funds		
(a) Share Capital	9,123.77	9,098.23
(b) Reserves and Surplus (Refer note d)	161,212.28	148,278.40
Sub-total shareholders' funds	170,336.05	157,376.63
2 Share application money pending allotment	14.96	-
3 Non - Current Liabilities		
(a) Long term borrowings	736,771.12	472,257.57
(b) Other Long term liabilities	6,468.06	4,635.63
(c) Long term provisions	11,333.49	8,680.35
Sub-total non-current liabilities	754,572.67	485,573.55
4 Current Liabilities		
(a) Short term borrowings	157,729.99	138,784.79
(b) Trade payables	12,553.94	8,168.67
(c) Other current liabilities	346,748.71	269,468.97
(d) Short term provisions	10,549.12	9,832.54
Sub-total current liabilities	627,581.76	425,254.97
<b>TOTAL - EQUITY &amp; LIABILITIES</b>	<b>1,452,505.44</b>	<b>1,068,205.15</b>
<b>B ASSETS</b>		
1 Non-Current Assets		
(a) Fixed Assets	2,924.00	1,909.09
(b) Non - current investments	14,200.00	9,928.57
(c) Deferred tax assets (Net)	5,460.32	4,212.80
(d) Long term loans and advances	852,248.07	652,285.92
(e) Other non current assets	15,571.83	27,916.45
Sub-total non-current assets	890,402.22	696,252.83
2 Current Assets		
(a) Current investments	4,162.99	9,486.68
(b) Trade receivables	2,867.77	1,007.81
(c) Cash and Bank Balances	111,270.54	105,705.80
(d) Short term loans and advances	413,401.01	239,371.31
(e) Other current assets	30,600.91	16,378.74
Sub-total current assets	562,103.22	371,952.32
<b>TOTAL - ASSETS</b>	<b>1,452,505.44</b>	<b>1,068,205.15</b>

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BY *Handwritten signature*  
S. R. BATLIBOI & CO. LLP  
MUMBAI

*Handwritten initials*

