

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 financial results of Capital First Limited (the "Company") for the quarter ended September 30, 2016 and the year-to-date financial results for the period April 1, 2016 to September 30, 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. These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the 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 interim financial statements, prepared in accordance with recognition and measurement principles laid down in Accounting Standard 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.
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 results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016 as well as the year to date financial results for the period from April 1, 2016 to September 30, 2016

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



per Viren H. Mehta
Partner
Membership No.: 048749
Place: Mumbai
Date: November 9, 2016

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016

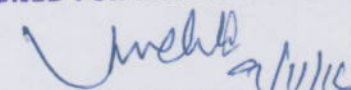
(Rs. In Lakhs)

| PARTICULARS | QUARTER ENDED | | | HALF YEAR ENDED | | YEAR ENDED |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30.09.2016 (Audited) | 30.06.2016 (Audited) | 30.09.2015 (Audited) | 30.09.2016 (Audited) | 30.09.2015 (Audited) | 31.03.2016 (Audited) |
| 1 Income from operations | | | | | | |
| a) Income from operations | 66,465.85 | 60,117.10 | 42,532.22 | 126,582.95 | 81,311.44 | 184,499.09 |
| b) Other operating income | 369.03 | 25.94 | 142.57 | 394.97 | 208.05 | 222.84 |
| Total Income from operations (net) | 66,834.88 | 60,143.04 | 42,674.79 | 126,977.92 | 81,519.49 | 184,721.93 |
| 2 Expenses | | | | | | |
| a) Employee benefits expenses | 5,795.01 | 5,669.28 | 4,413.53 | 11,464.29 | 8,099.45 | 17,554.90 |
| b) Depreciation and amortisation expense | 478.78 | 288.52 | 250.65 | 767.30 | 467.63 | 995.83 |
| c) Provision and write offs (Refer note 'b' and 'c') | 10,206.54 | 9,863.68 | 4,679.17 | 20,070.22 | 9,735.14 | 23,471.39 |
| d) Amortised loan origination cost | 6,051.19 | 4,851.06 | 2,503.59 | 10,902.25 | 4,761.42 | 12,240.19 |
| e) Legal and Professional charges | 2,035.01 | 1,309.46 | 869.26 | 3,344.47 | 1,611.23 | 4,109.37 |
| f) Other expenses | 6,300.27 | 4,881.21 | 3,253.92 | 11,181.48 | 6,100.30 | 14,956.94 |
| Total Expenses | 30,866.80 | 26,863.21 | 15,970.12 | 57,730.01 | 30,775.17 | 73,328.32 |
| 3 Profit from Operations before Other Income, Finance Cost & Exceptional items (1-2) | 35,968.08 | 33,279.83 | 26,704.67 | 69,247.91 | 50,744.32 | 111,393.61 |
| 4 Other Income | - | 528.17 | - | 528.17 | - | 62.13 |
| 5 Profit from Ordinary activities before Finance costs & Exceptional Items (3+4) | 35,968.08 | 33,808.00 | 26,704.67 | 69,776.08 | 50,744.32 | 111,455.74 |
| 6 Finance Costs | 28,791.16 | 26,844.72 | 20,675.99 | 55,635.88 | 39,972.58 | 87,594.37 |
| 7 Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6) | 7,176.92 | 6,963.28 | 6,028.68 | 14,140.20 | 10,771.74 | 23,861.37 |
| 8 Exceptional Items | - | - | - | - | - | - |
| 9 Profit/(Loss) from Ordinary activities before tax (7+8) | 7,176.92 | 6,963.28 | 6,028.68 | 14,140.20 | 10,771.74 | 23,861.37 |
| 10 Tax expense (including Deferred Tax) | 2,504.97 | 2,445.65 | 2,054.73 | 4,950.62 | 3,697.29 | 3,170.81 |
| 11 Net Profit/(Loss) from Ordinary activities after tax (9-10) | 4,671.95 | 4,517.63 | 3,973.95 | 9,189.58 | 7,074.45 | 15,691.06 |
| 12 Extraordinary Item | - | - | - | - | - | - |
| 13 Net Profit/(Loss) for the period / year (11-12) | 4,671.95 | 4,517.63 | 3,973.95 | 9,189.58 | 7,074.45 | 15,691.06 |
| 14 Paid up Equity Share Capital (Face Value-Rs.10 per share) | 9,233.83 | 9,136.72 | 9,114.40 | 9,233.83 | 9,114.40 | 9,123.77 |
| 15 Reserves excluding Revaluation Reserves as per balance sheet | - | - | - | - | - | 156,836.00 |
| 16 a) Earnings per share (EPS) (before Extraordinary items) (Face Value-Rs.10 per share) * | | | | | | |
| -Basic (Rs.) | 5.08 | 4.95 | 4.36 | 10.03 | 7.77 | 17.22 |
| -Diluted (Rs.) | 4.76 | 4.67 | 4.14 | 9.40 | 7.37 | 16.36 |
| b) Earnings per share (EPS) (after Extraordinary items) (Face Value-Rs.10 per share) * | | | | | | |
| -Basic (Rs.) | 5.08 | 4.95 | 4.36 | 10.03 | 7.77 | 17.22 |
| -Diluted (Rs.) | 4.76 | 4.67 | 4.14 | 9.40 | 7.37 | 16.36 |

*EPS for the quarters is not annualised

Notes

- The audited financial results for the quarter and half year ended September 30, 2016 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on November 9, 2016.
- The Company had changed its estimates related to provisioning for retail mortgage and housing loans during the quarter ended June 30, 2016. Consequent to the change in such estimates, provision and write off for the quarter and half year ended September 30, 2016 is higher by Rs. 306.73 lakhs and Rs. 506.62 lakhs respectively.
- The Company has accounted for provision on standard assets as per 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 March 31, 2016. As a result of which provision for standard assets for the quarter and half year ended September 30, 2016 is higher by Rs. 673.45 lakhs.
- During the quarter ended September 30, 2016, 971,050 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.
- RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dated March 27, 2015 had 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. 4,171.11 lakhs. However, there is no significant impact of this change on provision for the quarter and half year ended September 30, 2016.
- 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 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.
- Figures for previous quarter/ half year/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ half year's classifications.

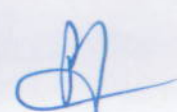
SIGNED FOR IDENTIFICATION
BY 
S. R. BATLIBOI & CO. LLP
MUMBAI



For CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman & Managing Director
DIN No.00082596

Place : Mumbai
Date : November 9, 2016


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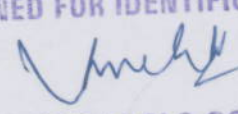
CAPITAL FIRST LIMITED
(CIN no. L29120MH2005PLC156795)

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

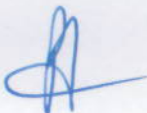
STANDALONE STATEMENT OF AUDITED ASSETS AND LIABILITIES

(Rs. in Lakhs)

| Particulars | As at September 30, 2016 | As at March 31, 2016 |
|--|-----------------------------|-------------------------|
| A EQUITY AND LIABILITIES | | |
| 1 Shareholders' Funds | 9,233.83 | 9,123.77 |
| (a) Share Capital | 167,663.58 | 156,836.00 |
| (b) Reserves and Surplus | 176,897.41 | 165,959.77 |
| Sub-Total shareholders' funds | - | 14.96 |
| 2 Share application money pending allotment | - | - |
| 3 Non - current liabilities | 784,544.50 | 709,421.12 |
| (a) Long term borrowings | 6,557.94 | 5,793.73 |
| (b) Other long term liabilities | 10,818.39 | 11,222.73 |
| (c) Long term provisions | 801,920.83 | 726,437.58 |
| Sub-Total non-current liabilities | - | - |
| 4 Current Liabilities | 281,018.67 | 155,244.11 |
| (a) Short term borrowings | 12,358.58 | 12,218.06 |
| (b) Trade payables | 366,961.55 | 332,918.83 |
| (c) Other current liabilities | 9,181.39 | 10,452.42 |
| (d) Short term provisions | 669,520.19 | 510,833.42 |
| Sub-Total current liabilities | 1,648,338.43 | 1,403,245.73 |
| TOTAL-EQUITY AND LIABILITIES | 1,648,338.43 | 1,403,245.73 |
| B ASSETS | | |
| 1 Non - current assets | 4,541.90 | 2,924.00 |
| (a) Fixed Assets | 20,832.05 | 22,232.05 |
| (b) Non - current investments | 5,724.10 | 5,435.90 |
| (c) Deferred tax assets (Net) | 861,100.43 | 813,096.43 |
| (d) Long term loans and advances | 12,914.57 | 15,574.28 |
| (e) Other non current assets | 905,113.05 | 859,262.66 |
| Sub-Total non-current assets | - | - |
| 2 Current Assets | 2,866.93 | 3,183.99 |
| (a) Current Investments | 3,390.10 | 2,667.69 |
| (b) Trade receivables | 222,778.98 | 103,470.13 |
| (c) Cash and cash equivalents | 480,990.93 | 404,571.04 |
| (d) Short term loans and advances | 33,198.44 | 30,090.22 |
| (e) Other current assets | 743,225.38 | 543,983.07 |
| Sub-Total current assets | 1,648,338.43 | 1,403,245.73 |
| TOTAL ASSETS | 1,648,338.43 | 1,403,245.73 |

SIGNED FOR IDENTIFICATION
BY 
S. R. BATLIBOI & CO. LLP
MUMBAI





53