

Auditor's Report on Quarterly Consolidated Financial 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 June 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 have been prepared from consolidated 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 consolidated financial results based on our audit of such consolidated 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 standards on auditing 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, whose consolidated interim financial statements reflect total assets of Rs. 53.22 lakhs as at June 30, 2014; as well as the total revenue of Rs. 416.74 lakhs for the quarter ended June 30, 2014. Consequently the unaudited financial statement of such subsidiary Company for the quarter ended June 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 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).
5. In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results:
 - (i) include the quarterly financial results of the following entities:
 - a) Capital First Limited
 - b) Capital First Home Finance Private Limited;
 - c) Capital First Securities Limited;
 - d) Capital First Investment Advisory Limited;
 - e) Capital First Commodities 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 June 30, 2014



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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 August 05, 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 CONSOLIDATED AUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

PART I

(Rs. In Lakhs)

PARTICULARS	QUARTER ENDED			YEAR ENDED
	30.06.2014 (Audited)	31.03.2014 (Audited) (refer note 'l')	30.06.2013 (Audited)	31.03.2014 (Audited)
1 Income from operations				
a) Income from operations	31,595.90	28,588.31	24,209.70	105,990.69
b) Other operating income	1,104.00	183.62	55.61	750.00
Total Income from operations (net)	32,699.90	28,771.93	24,265.31	106,740.69
2 Expenses				
a) Employee benefits expenses	3,318.39	3,157.41	3,667.51	13,202.58
b) Depreciation and amortisation expense (refer note 'd')	238.68	152.53	168.95	643.15
c) Provision and write offs	2,123.88	624.71	1,335.00	5,096.61
d) Amortised loan origination cost	1,122.05	1,789.39	975.12	5,101.55
e) Legal and Professional charges	1,360.63	1,147.20	481.08	3,680.99
f) Goodwill written off (refer note 'e')	644.88	-	-	-
g) Other expenses	2,360.95	2,372.72	2,212.46	8,741.76
Total Expenses	11,169.46	9,243.96	8,840.12	36,466.64
3 Profit from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	21,530.44	19,527.97	15,425.19	70,274.05
4 Other Income (refer note 'f')	667.00	119.70	124.46	311.19
5 Profit from Ordinary activities before Finance costs & Exceptional Items (3+4)	22,197.44	19,647.67	15,549.65	70,585.24
6 Finance Costs	18,951.96	17,324.62	14,812.15	64,682.49
7 Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6)	3,245.48	2,323.05	737.50	5,902.75
8 Exceptional Items	-	-	-	-
9 Profit from Ordinary activities before tax (7+8)	3,245.48	2,323.05	737.50	5,902.75
10 Tax expense (including Deferred Tax)	1,160.86	(659.75)	185.13	639.93
11 Net Profit from Ordinary activities after tax (9-10)	2,084.62	2,982.80	552.37	5,262.82
12 Extraordinary item	-	-	-	-
13 Net Profit for the period / year (11-12)	2,084.62	2,982.80	552.37	5,262.82
14 Paid up Equity Share Capital (Face Value-Rs.10 per share)	8,281.52	8,263.15	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.)	2.52	4.17	0.78	7.40
-Diluted (Rs.)	2.51	4.16	0.77	7.38
b) Earnings per share (EPS) (after Extraordinary items) (Face Value-Rs.10 per share) *				
-Basic (Rs.)	2.52	4.17	0.78	7.40
-Diluted (Rs.)	2.51	4.16	0.77	7.38

PART II

A PARTICULARS OF SHAREHOLDING				
1 Public shareholding				
-Number of shares	23,329,617	23,145,867	20,385,451	23,145,867
-Percentage of shareholding	28.17%	28.01%	28.70%	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	50,638,873	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%
-Percentage of shares (as a % of the total share capital of the company)	71.83%	71.99%	71.30%	71.99%

PARTICULARS	QUARTER ENDED 30.06.2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	-



**SIGNED FOR IDENTIFICATION
BY**

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

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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 ended June 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 August 5, 2014.
- c. During the quarter ended June 30, 2014, the Compensation and Nomination Committee of the Board of Directors, granted
 - 65,00,000 stock options at a price of Rs. 207/- each, representing equal number of equity shares of face value of Rs.10/- each in the Company to Chairman and Managing Director of the Company under CMD Stock Options Scheme - 2014.
 - 5,55,000 options at a price of Rs. 174.15/- each on the date of grant, representing equal number of equity shares of face value of Rs.10/- each in the Company to the eligible employees, under CFL Employees Stock Option Scheme – 2008 & 2011.
- 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. 96.58 lakhs for the quarter ended June 30, 2014. Further, as per the transitional provision, the Company has adjusted Rs. 101.71 lakhs in the opening balance of Surplus in Statement of Profit and Loss.
- e. The Company was carrying goodwill of Rs. 644.88 lakhs arising on consolidation and which pertains to a subsidiaries engaged in advisory business. During the quarter, the Company carried out an impairment testing of goodwill. Since the advisory business is terminated, the Company has decided to write off the entire amount of goodwill in the current quarter. There is no further goodwill carried in Company's books.
- f. i) Other income includes realised Foreign Currency Translation Reserves of Rs. 394.01 lakhs, which is on account of reinstatement of financial statements of the foreign subsidiary of the Company i.e. Anchor Investment and Trading Private Limited, in accordance with the principles laid down in Accounting Standard (AS) - 11 'The Effects of Changes in Foreign Exchange Rates' 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.
 ii) Other income includes interest on income tax refund amounting to Rs. 238.08 lakhs received during the quarter.
- g. As approved by the Board of Directors of the foreign subsidiary i.e. Anchor Investment and Trading Private Limited, has decided to discontinue its advisory services and does not intent to continue the business in future. Accordingly the subsidiary has initiated the process of its voluntary winding up. The profit after tax attributed to the foreign subsidiary for the quarter ended June 30, 2014 is Rs. 400.09 lakhs and these are reflected in the Consolidated Financial Statements.
- h. Subsequent to the quarter ended June 30, 2014, the Boards of Directors of Capital First Investment Advisory Limited (CFIAL) and Capital First Home Finance Private Limited (CFHFPL), both wholly-owned subsidiaries of the Company, have approved the scheme of merger of CFIAL into CFHFPL, subject to necessary regulatory approvals. This will not have any impact in the Consolidated Statement of Profit and Loss and the Consolidated Net Worth of the Company.
- i. The amount of Rs. 17,851.79 lakhs raised by issue of equity shares on preferential basis during the quarter ended March 31, 2014 had remained unutilised as on March 31, 2014. The said funds has been utilised in the current quarter as per the objects of the issue.
- j. The Company had extended loans to its Employee Welfare Trusts ('Trusts') for purchase of shares of the Company. As per the Guidance Note issued by the ICAI on Accounting for Employee Share-based payment, till March 31, 2014, the Company adjusted the loan of Rs 1,490.35 lakhs granted to the Trusts against the Share Capital to the tune of Rs. 60.97 lakhs and Securities Premium to the tune of Rs. 1,429.38 lakhs in respect of 609,713 shares held by the Trusts. During the current quarter, the Trusts have sold all the shares held by them. An amount of Rs. 954 lakh has been received by the Company from the Trust before June 30, 2014 and Rs. 350 lakh subsequent to June 30, 2014. Post the sale, the Share Capital and Securities Premium has been reinstated by an aggregate amount of Rs 1,490.35 lakhs and the shortfall of Rs 186.35 lakhs, after adjusting the repayment received from the Trusts is adjusted against the Reserves & Surplus.
- k. 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.
- l. Figures for the quarter ended March 31, 2014 are the balancing figures between audited figures of the Company in respect of the full financial year and the audited year to date figures up to nine months ended December 31, 2013.
- m. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter classification.
- n. 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).

STANDALONE FINANCIALS SUMMARY

PARTICULARS	QUARTER ENDED			YEAR ENDED
	30.06.2014 (Audited)	31.03.2014 (Audited) (refer note 'l')	30.06.2013 (Audited)	31.03.2014 (Audited)
Revenues (including other income)	32,633.45	30,801.12	23,909.03	107,971.22
Profit before tax	3,279.52	3,691.71	874.71	4,088.60
Profit after tax	2,200.63	4,403.62	756.69	3,698.35

**SIGNED FOR IDENTIFICATION
BY**

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



For CAPITAL FIRST LIMITED

V. Vaidyanathan
V. Vaidyanathan
Chairman & Managing Director

Place : Mumbai
Date : August 5, 2014