

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report on Quarterly and Nine monthly Standalone Financial Results of Capital First Limited pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Capital First Limited

We have audited the accompanying statement of quarterly and nine monthly standalone financial results of Capital First Limited (the "Company") for the quarter and nine months ended 31 December 2017 (the "Financial Results") being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These Financial Results have been prepared from the condensed standalone interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors at its meeting held on 24 January 2018.

Our responsibility is to express an opinion on these Financial Results based on our audit of such condensed standalone interim financial statements which have been prepared and presented in accordance with the recognition and measurement principles of Accounting Standard 25 ("AS-25"), Interim Financial Reporting as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, circulars and guidelines issued by the Reserve Bank of India from time to time as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies and other accounting principles generally accepted in India.

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.

Attention is drawn to the fact that the figures for the year ended 31 March 2017 and the quarter and nine months ended 31 December 2016 as reported in these Financial Results were audited by another auditor who expressed an unmodified opinion dated 10 May 2017 and 31 January 2017 on the financial results for the year ended 31 March 2017, and financial results for the quarter and nine months ended 31 December 2016, respectively.



Independent Auditor's Report on Quarterly and Nine monthly Standalone Financial Results of Capital First Limited pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Capital First Limited

In our opinion and to the best of our information and according to the explanations given to us, the Financial 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 standalone net profit and other standalone financial information for the quarter and nine months ended 31 December 2017.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
24 January 2018

CAPITAL FIRST LIMITED
(CIN L29120MH2005PLC156795)

Regd Office : One Indiabulls Centre Tower 2A & 2B 10th Floor Senapati Bapat Marg Lower Parel (West) Mumbai - 400 013
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STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(Rs. In Lakhs)

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2017 (Audited)	30.09.2017 (Audited)	31.12.2016 (Audited)	31.12.2017 (Audited)	31.12.2016 (Audited)	31.03.2017 (Audited)
1 Revenue from operations	93,864.34	84,402.57	70,764.61	256,641.05	197,347.56	270,076.02
2 Other income	472.65	1,034.80	991.61	2,607.00	1,914.75	2,609.46
3 Total Revenue	94,336.99	85,437.37	71,756.22	259,248.05	199,262.31	272,685.48
4 Expenses						
a Employee benefits expense	8,632.96	7,491.22	6,328.83	22,851.83	17,793.12	23,319.39
b Finance costs	32,792.97	31,109.02	30,014.61	93,333.12	85,650.49	112,791.21
c Depreciation and amortisation expense	641.05	664.88	377.62	1,877.01	1,144.92	1,663.32
d Other expenses	39,669.27	35,492.32	26,526.95	108,725.96	72,025.37	101,683.03
Total Expenses	81,736.25	74,757.44	63,248.01	226,787.92	176,613.90	239,456.95
5 Profit before tax	12,600.74	10,679.93	8,508.21	32,460.13	22,648.41	33,228.53
6 Tax expense						
-Current Tax	4,176.00	3,488.09	3,804.04	13,284.39	9,042.87	13,040.04
-Deferred Tax	294.78	98.45	(868.62)	(2,041.34)	(1,156.83)	(1,476.71)
-Tax for earlier years	-	-	-	(33.98)	-	(21.00)
Tax expense	4,470.78	3,586.54	2,935.42	11,209.07	7,886.04	11,542.33
7 Profit after tax	8,129.96	7,093.39	5,572.79	21,251.06	14,762.37	21,686.20
8 Earnings per share (EPS) *						
-Basic (Rs.)	8.24	7.26	5.97	21.69	16.01	23.20
-Diluted (Rs.)	7.79	6.80	5.59	20.51	14.99	21.76

*EPS for the quarters/nine months is not annualised

Notes

- The standalone audited financial results of Capital First Limited (the 'Company' or 'CFL') for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on January 24, 2018.
- The Board of Directors of Capital First Limited ("Board"), at their meeting held on January 13, 2018 considered and approved a composite scheme of amalgamation ("Scheme") of the Amalgamating Capital First Limited ("Amalgamating Company 1"), Capital First Home Finance Limited ("Amalgamating Company 2") and Capital First Securities Limited ("Amalgamating Company 3") (collectively the "Amalgamating Companies") with IDFC Bank Limited ("Amalgamated Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Amalgamation").
The Scheme is subject to the receipt of approval from the Reserve Bank of India ("RBI") under the RBI (Amalgamation of Private Sector Banks) Directions, 2016, Competition Commission of India, the stock exchanges, SEBI, the National Company Law Tribunal, the National Housing Bank ("NHB"), the respective shareholders and creditors of Amalgamating Companies and the Amalgamated Company and other statutory and regulatory approvals.
- The Company has accounted for provision on standard assets as per the 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 financial year ending March 31, 2016. As a result of which provision for standard assets as at December 31, 2017 is higher by Rs. 961.58 lakhs.
- During the quarter ended December 31, 2017, 1,005,490 stock options were exercised by eligible employees under various CFL Employees Stock Options Schemes.
- The Secured Listed Non-Convertible Debt securities of the Company as on December 31, 2017 are secured by first pari-passu charge on the fixed assets owned by the Company and first pari-passu/exclusive charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.
- RBI vide its notification no DNBR. 01/CGM (CDS)-2015 dated March 27, 2015 had revised the asset classification norms for non-performing assets ('NPA') 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. 9,847.44 lakhs. However, there is no significant impact of this change on provision for the quarter and nine months ended December 31, 2017.
- The primary 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/ nine month/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ nine month's classification.

Place : Mumbai

Date : January 24, 2018



For CAPITAL FIRST LIMITED

V. Vaidyanathan
V. Vaidyanathan
Chairman & Managing Director
DIN : 00082596