

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Capital First Limited

Report on the Condensed Interim Consolidated Financial Statements

We have audited the accompanying Condensed Interim Consolidated Financial Statements of Capital First Limited ("the Company") and its subsidiaries, (collectively the "Group"), which comprise the Condensed Interim Consolidated Balance Sheet as at December 31, 2014, and the Condensed Interim Consolidated Statement of Profit and Loss for the quarter and nine months then ended and Condensed Interim Consolidated Cash Flow Statement for the nine months then ended, and a summary of select explanatory notes (together referred to as "Condensed Interim Consolidated Financial Statements").

Management's Responsibility for the Condensed Interim Consolidated Financial Statements

Management is responsible for the preparation of these Condensed Interim Consolidated Financial Statements in accordance with the requirements of 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Condensed Interim Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Condensed Interim Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Condensed Interim Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Condensed Interim Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Condensed Interim Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Condensed Interim Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Condensed Interim Consolidated Financial

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Condensed Interim Consolidated Financial Statements have been prepared, in all material respects, in accordance with the requirements of 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.

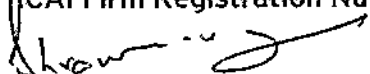
Other matters

We did not audit the financial statement of one subsidiary, prepared under the generally accepted accounting principles in India, whose financial statement reflects total assets of Rs. 5,567,841 as at December 31, 2014, the total revenue of Rs. 22,162 for the quarter and Rs. 41,711,812 for the nine month ended December 31, 2014 and net cash outflow amounting to Rs. 205,400,648 for the nine months ended then ended, as accounted in the Condensed Interim Consolidated Financial Statements of the Company, on the basis of unaudited financial statement as certified and furnished to us by the management and our opinion is based solely on this management certified financial statement.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E



per **Shrawan Jalan**

Partner

Membership Number: 102102

Mumbai

Date: February 10, 2015

CAPITAL FIRST LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2014

Amount in Rupees

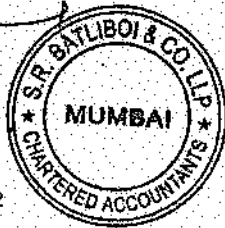
Particulars	Note no.	As at December 31, 2014	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	831,308,440	820,217,560
Reserves and Surplus	4	11,820,110,875	10,889,948,769
		<u>12,651,419,315</u>	<u>11,710,166,329</u>
Share application money pending allotment		-	8,356,250
Non - Current Liabilities			
Long term borrowings	5	49,057,161,532	55,700,918,424
Other Long term liabilities	6	453,645,384	383,626,184
Long term provisions	7	977,389,827	952,874,963
		<u>50,488,196,743</u>	<u>57,037,419,571</u>
Current Liabilities			
Short term borrowings	8	16,806,795,709	14,664,463,805
Trade payables	9	826,980,903	660,269,188
Other current liabilities	10	26,882,042,725	16,862,382,570
Short term provisions	11	455,003,298	379,011,459
		<u>44,970,802,635</u>	<u>32,566,127,022</u>
TOTAL		<u><u>108,110,418,693</u></u>	<u><u>101,322,069,172</u></u>
ASSETS			
Non - Current Assets			
Fixed Assets			
- Tangible assets	12	165,694,852	224,008,025
- Intangible assets	12	46,626,300	51,631,400
- Goodwill on Consolidation (Refer note 31)		-	64,487,572
		<u>212,321,152</u>	<u>340,126,997</u>
Deferred tax assets (Net)	13	357,548,276	170,803,486
Long term loans and advances	14	67,621,338,968	50,085,189,227
Other non current assets	15	2,522,872,384	2,517,637,077
		<u>70,714,080,760</u>	<u>53,113,766,787</u>
Current Assets			
Current Investments	16	676,894,955	3,474,223,726
Trade receivables	17	223,919,055	93,597,317
Cash and Bank Balances	18	11,387,594,688	20,130,751,477
Short term loans and advances	19	22,511,983,686	22,410,596,064
Other current assets	20	2,595,945,549	2,099,143,801
		<u>37,396,337,933</u>	<u>48,208,312,385</u>
TOTAL		<u><u>108,110,418,693</u></u>	<u><u>101,322,069,172</u></u>

Select explanatory notes are an integral part of the Condensed Interim Consolidated Financial Statements

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102



For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director

N. C. Singhal
Director



Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Company Secretary

Place: Mumbai
Date : February 10, 2015

Place: Mumbai
Date : February 10, 2015

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

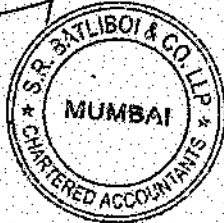
Amount in Rupees

Particulars	Note no.	For the nine	For the nine	For the	For the
		months ended	months ended	quarter ended	quarter ended
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenue from Operations	21	10,402,630,169	7,658,551,128	3,789,320,842	2,727,540,417
Other income	22	165,508,602	66,816,993	9,031,336	29,786,742
Total revenue		10,568,138,771	7,725,368,121	3,798,352,178	2,757,327,159
Expenses					
Employee benefits expense	23	1,021,947,269	957,107,474	358,612,281	288,415,816
Finance costs	24	5,869,526,878	4,734,325,642	2,046,397,595	1,669,319,346
Depreciation and Amortisation expense	25	72,146,415	43,624,401	24,595,664	14,613,877
Other expenses	26	2,446,989,200	1,583,783,392	913,998,891	594,733,015
Total Expenses		9,410,609,762	7,298,840,909	3,344,704,331	2,567,081,854
Profit before tax		1,157,529,009	426,526,912	453,647,847	190,245,305
Tax expense:					
- Current tax		593,128,346	198,386,968	228,491,478	102,202,768
- Minimum Alternative Tax (MAT) Credit entitlement		(368,612)	-	584,174	1,340,000
- Deferred tax credit (Refer note 2.1(a))		(183,287,509)	(74,689,108)	(76,635,590)	(35,798,084)
- Tax for earlier years		15,101	1,002,559	-	(40,341)
		409,497,326	124,700,419	152,440,062	66,704,343
Profit for the nine months/ quarter from Continuing Operations	(A)	748,031,683	301,826,493	301,207,785	123,540,962
Profit/(loss) before tax from discontinuing operations		37,565,015	(68,556,689)	(84,436)	(20,871,027)
Tax expense of discontinuing operations		7,512,384	5,267,953	2,000,380	1,521,842
Profit/(loss) from discontinuing operations (after tax)	(B)	30,052,631	(73,824,642)	(2,084,816)	(22,392,869)
Profit for the nine months/ quarter	(A)+(B)	778,084,314	228,001,851	299,122,969	101,148,093
Earning per equity share:	27				
- Basic		9.39	3.21	3.60	1.42
- Diluted		9.06	3.19	3.48	1.42

Select explanatory notes are an integral part of the Condensed Interim Consolidated Financial Statements

As per our report of even date

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



per Shrawan Jalan
Partner
Membership No.102102

For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
Chairman &
Managing Director

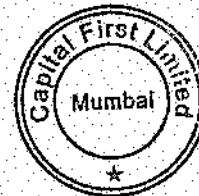
N. C. Singha
Director

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Garkwad
Company Secretary

Place: Mumbai
Date: February 10, 2015

Place: Mumbai
Date: February 10, 2015



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CAPITAL FIRST LIMITED

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees	
	For the year ended December 31, 2014	For the year ended March 31, 2014
Net Cash used In Operating Activities	(15,930,199,240)	(12,340,818,856)
Net Cash generated from / (used in) Investing Activities	3,144,563,980	(2,941,580,075)
Net Cash generated from Financing Activities	4,043,117,529	23,498,420,119
Net (decrease) / increase in Cash and Cash Equivalents during the period	(8,742,517,721)	8,216,021,188
Cash and Cash equivalents at beginning of the period	19,929,112,409	11,713,091,221
Cash and Cash equivalents at the end of the period	<u>11,186,594,688</u>	<u>19,929,112,409</u>

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
Cash and Cash equivalents comprises of :		
Cash in Hand	93,284,032	139,406,694
Balance with Banks		
- in unpaid dividend accounts (Refer note 3 below)	1,734,892	1,372,017
- in unpaid share application money (Refer note 3 below)	1,901,580	1,932,180
- in current account	11,065,174,184	11,104,866,026
- in deposit accounts having original maturity less than three months	24,500,000	8,681,535,492
Total	<u>11,186,594,688</u>	<u>19,929,112,409</u>

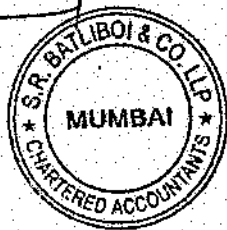
Notes:

- The above Condensed Interim Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' and AS 25 - 'Interim Financial Reporting' specified under the Companies Act, 1956 (which is 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.
- Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.
- The balances are not available for use by the Company as they represent corresponding unpaid dividend liability and unpaid share application money.

As per our report of even date

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

Shrawan
per Shrawan Jalan
Partner
Membership No.102102



For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED

V. Vaidyanathan
V. Vaidyanathan
Chairman &
Managing Director

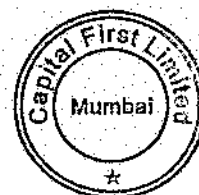
N. C. Singh
N. C. Singh
Director

Pankaj Sanklecha
Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Satish Gaikwad
Company Secretary

Place: Mumbai
Date : February 10, 2015

Place: Mumbai
Date : February 10, 2015



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SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements comprise of the Financial Statements of Capital First Limited (the 'Company' or 'CFL') and its subsidiaries (hereinafter collectively referred to as the 'Group').

The Condensed Interim Consolidated Financial Statements have been prepared in accordance with recognition and measurement principles laid down in Accounting Standard (AS) 21 - "Consolidated Financial Statements" and AS 25 - "Interim Financial Reporting" specified under the Companies Act, 1955 (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 and other accounting principles generally accepted in India (IGAAP) and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The Condensed Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The notified Accounting Standards ('AS') are followed by the Company insofar as they are not inconsistent with the NBFC Regulation. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) PRINCIPLES OF CONSOLIDATION

i. The Condensed Interim Consolidated Financial Statements of the Company have been prepared in accordance with recognition and measurement principles laid down in AS - 21 "Consolidated Financial Statements". The financial statements of these group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of Inter Company transactions are eliminated on consolidation.

The Condensed Interim Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

The Condensed Interim Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any, to the extent possible unless otherwise stated, are made in the Condensed Consolidated Financial Statements and are presented in the same manner as the Company's standalone Condensed Financial Statements.

ii. The subsidiary companies considered in the presentation of the Condensed Interim Consolidated Financial Statements are:

Particulars	Country of Incorporation	Proportion of ownership interest as at December 31, 2014	Proportion of ownership interest as at December 31, 2013	Financial year ends on
Subsidiaries:				
Capital First Investment Advisory Limited	India	100%	100%	31st March
Capital First Commodities Limited	India	100%	100%	31st March
Anchor Investment & Trading Private Limited	Mauritius	100%	100%	31st March
Capital First Home Finance Private Limited	India	100%	100%	31st March
Capital First Securities Limited	India	100%	100%	31st March

For the purpose of Condensed Interim Consolidated Financial Statements, the results of CFL and its subsidiaries for the nine months ended December 31, 2014 have been derived from the respective Company's Audited Condensed Financial Statements except Condensed Financial Statement of the foreign subsidiary which is certified by the management.

2. GOODWILL ON CONSOLIDATION

The excess of cost to the holding Company of its investment in subsidiaries over the holding Company's portion of equity in the subsidiaries at the respective dates, on which investments in subsidiaries were made, has been recognized in the Consolidated Financial Statements as goodwill. The holding Company's portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

The Goodwill on consolidation is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may have been impaired.

2.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to the accounting estimates is recognised prospectively.

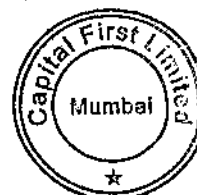
a) Pursuant to the Companies Act, 2013 (the "Act") becoming effective from April 01, 2014, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. This has resulted in additional charge of depreciation of Rs.9,982,704 and Rs.24,330,190 for the quarter and nine months ended December 31, 2014 respectively. Further, as per the transitional provision, the Company has adjusted Rs. 6,713,819 (net of deferred tax) in the opening balance of Surplus in Statement of Profit and Loss.

b) The Company has opted for early phased compliance with RBI notification vide 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. As a result of which provision and write offs include amount of Rs. 43,870,730 towards higher provisioning on standard assets.

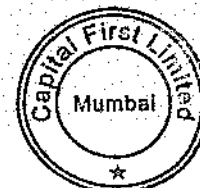
2.2 ACCOUNTING POLICIES

The accounting policies followed in the preparation of these Condensed Interim Consolidated Financial Statements are consistent with those followed in the previous year except as stated below:

During the quarter ended September 30, 2014, the Company had 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 nine months ended December 31, 2014 is higher by Rs. 1,231,250 and Rs. 4,685,317 respectively.

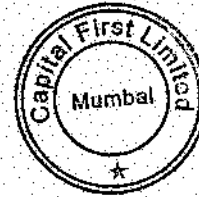


Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
3 Share Capital		
Authorized:		
103,000,000 (Previous Year: 103,000,000) Equity shares of Rs. 10/- each	1,030,000,000	1,030,000,000
10,000,000 (Previous Year: 10,000,000) Compulsorily Convertible Preference shares ('CCPS') of Rs. 10/- each	100,000,000	100,000,000
	<u>1,130,000,000</u>	<u>1,130,000,000</u>
Issued, subscribed and fully paid up:		
83,130,644 (Previous Year: 82,631,469) Equity shares of Rs. 10/- each	831,308,440	826,314,690
Less: Nil (Previous Year: 609,713 shares) held by Employee Welfare Trusts but not allotted to Employees (Refer note 30)	-	(6,097,130)
	<u>831,308,440</u>	<u>820,217,560</u>
4 Reserves and Surplus		
Capital Reserve		
Balance as per last Balance Sheet	592,500,000	592,500,000
Add: Transferred during the nine months/ year	-	-
	<u>592,500,000</u>	<u>592,500,000</u>
Statutory Reserve under Section 45-IC of the RBI Act, 1934		
Balance as per last Balance Sheet	643,978,117	570,010,981
Add: Transferred from Statement of Profit and Loss	-	73,967,136
	<u>643,978,117</u>	<u>643,978,117</u>
Statutory Reserve under Section 29C of the National Housing Bank Act, 1987		
Balance as per last Balance Sheet	3,441,198	-
Add: Transferred from Statement of Profit and Loss	-	3,441,198
	<u>3,441,198</u>	<u>3,441,198</u>
Securities Premium Account		
Balance as per last Balance Sheet	8,866,606,626	7,060,970,721
Add: Received during the nine months/ year	73,448,713	1,869,107,451
Less: Securities issue expenses	-	(53,518,295)
- Debentures issue expenses	-	(9,953,251)
- Equity issue expenses	-	-
	<u>8,740,055,339</u>	<u>8,666,606,626</u>
Less: Nil (Previous Year: 609,713 shares) held by Employee Welfare Trusts but not allotted to Employees (Refer note 30)	-	(142,937,870)
	<u>8,740,055,339</u>	<u>8,523,668,756</u>
Foreign Exchange Fluctuation Reserve		
Balance as per last Balance Sheet	40,617,137	22,953,947
Add: (Deletion) / Addition during the nine months/ year	(39,149,872)	17,863,190
	<u>1,467,165</u>	<u>40,617,137</u>
General Reserve		
Balance as per last Balance Sheet	153,794,773	126,057,097
Add: Transferred from Statement of Profit and Loss	-	27,737,676
	<u>153,794,773</u>	<u>153,794,773</u>
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	931,948,788	676,224,832
Less: Accelerated Depreciation as per the Companies Act, 2013 (Refer note 2.1)	(6,713,819)	-
Less: Loss in recovery of advances granted to Employee Welfare Trusts (Refer note 30)	(18,445,000)	-
Add: Profit for the nine months/ year	778,084,314	526,282,104
Less: Appropriations:		
Transfer to statutory reserve u/s 45-IC of the RBI Act, 1934	-	(73,967,136)
Transfer to statutory reserve u/s 29C of the National Housing Bank Act, 1987	-	(3,441,198)
Proposed dividend (Previous year Rs. 1.80 per year)	-	(165,411,938)
Transfer to general reserve	-	(27,737,676)
	<u>1,684,874,283</u>	<u>931,948,788</u>
	<u>11,820,110,875</u>	<u>10,889,948,769</u>



Particulars	Non Current Portion		Current Maturities*	
	As at December 31, 2014	As at March 31, 2014	As at December 31, 2014	As at March 31, 2014
5 Long term borrowings				
Secured				
Redeemable Non Convertible Debentures	2,000,000,000	5,743,000,000	4,067,000,000	648,000,000
Term Loans				
- from Banks	40,407,224,738	43,807,985,320	17,755,490,979	11,956,131,805
Unsecured				
Redeemable Non Convertible Perpetual Debentures	1,900,000,000	1,400,000,000	-	-
Redeemable Non Convertible Debentures (Subordinated debt)	2,000,000,000	2,000,000,000	-	-
Term Loans				
- from Banks (Subordinate debt)	2,749,936,784	2,749,933,104	-	-
- from Banks (Other)	-	-	500,000,000	1,250,000,000
	49,057,161,532	55,700,918,424	22,322,490,979	13,854,131,805

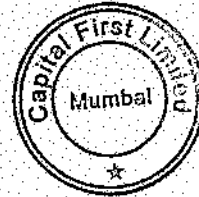
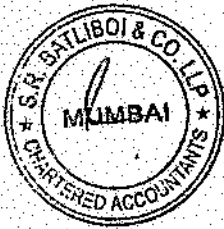
* Amount disclosed under the head 'Other current liabilities' (Refer note 10)



CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
6 Other Long term liabilities		
Unamortised processing fees/ subvention income	453,645,384	383,626,184
	<u>453,645,384</u>	<u>383,626,184</u>
7 Long term Provisions		
For standard assets (Refer note 2.1(b))	199,492,095	123,859,372
For doubtful loans and advances	336,017,342	226,532,958
For doubtful deposits	-	300,000
For foreclosure/ credit loss on assignment	416,053,017	583,797,171
Provisions for employee benefits		
- Gratuity	25,827,373	18,385,462
	<u>977,389,827</u>	<u>952,874,963</u>
8 Short term Borrowings		
Secured		
Loans repayable on demand		
- from banks	10,606,023,151	14,664,463,805
Unsecured		
Commercial papers	6,200,772,558	-
	<u>16,806,795,709</u>	<u>14,664,463,805</u>

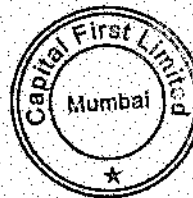
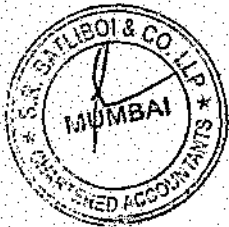


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CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
9 Trade Payables		
To Micro, Small and Medium Enterprises	-	-
Others	826,960,903	660,269,188
	<u>826,960,903</u>	<u>660,269,188</u>
10. Other current liabilities		
Current maturities of Long term borrowings (Refer note 5)	22,322,490,979	13,854,131,805
Interest accrued and due on borrowings	24,578,728	21,010,205
Interest accrued but not due on borrowings	574,762,769	265,649,451
Income received in advance	4,055,985	2,255,809
Overdrawn Book balance	1,116,838,394	834,130,004
Unamortised processing fees/ subvention income	847,885,158	519,385,153
Unclaimed dividends	1,734,892	1,372,017
Unclaimed Share Application Money	1,901,580	1,932,180
Security Deposits	-	978,539
Other liabilities (Refer note 32)	1,987,794,242	1,361,527,407
	<u>26,882,042,725</u>	<u>16,862,382,570</u>
11 Short term provisions		
Proposed dividend	-	165,411,938
Provision for employee benefits		
- Gratuity	2,869,708	2,042,830
- Leave encashment and availment	3,463,632	5,941,489
For standard assets (Refer note 2.1(b))	69,553,937	54,779,950
For doubtful loans and advances	205,257,717	30,974,764
For doubtful debts	32,359,724	30,052,502
For doubtful deposits	2,125,000	1,825,000
For foreclosure/ credit loss on assignment	139,373,580	87,982,986
	<u>455,003,298</u>	<u>379,011,459</u>



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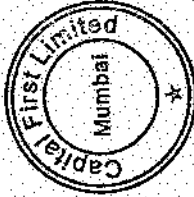
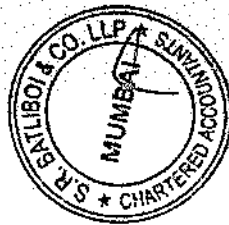
CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

12. Fixed Assets

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2014	Additions during the period	Deletions during the period	As at December 31, 2014	As at April 1, 2014	For the period	Accelerated Depreciation (refer note 2.1(a))	Deductions	As at December 31, 2014	As at March 31, 2014
Tangible Assets										
Land*	625,000	-	-	625,000	-	-	-	-	-	625,000
Computers and Printers	94,418,088	2,203,623	129,883	96,493,778	44,247,835	24,141,739	6,279,832	75,532	74,593,075	50,171,202
Server & Networking	86,505,365	4,636,417	160,592	91,081,190	41,177,078	8,363,093	38,887	63,984	41,566,106	45,428,267
Office Equipment	66,316,713	6,026,315	1,870,708	70,672,321	18,990,895	13,694,504	9,251,949	484,366	35,279,279	47,385,928
Furniture and Fixtures	44,821,337	4,903,647	4,986,752	44,635,232	13,702,081	3,899,084	-	1,660,212	28,654,349	31,119,276
Electrical Installation	20,504,041	1,783,081	1,841,915	20,545,186	2,270,000	1,787,629	-	329,347	18,636,904	18,334,041
Air Conditioners	2,584,210	477,942	477,942	2,086,268	1,273,228	132,878	566,500	216,731	330,592	1,290,982
Leasehold Improvements	66,649,200	3,183,264	11,710,846	58,321,614	37,195,797	8,183,906	-	7,570,818	20,502,726	28,653,409
Sub-Total (A)	382,804,910	22,839,310	20,977,639	384,660,589	186,796,885	60,252,594	10,137,268	10,421,010	165,664,862	224,006,025
Intangible Assets										
Domain Names and Trade Names	1,630,658	-	-	1,630,656	1,603,029	5,538	-	-	1,608,567	27,627
Data Processing Software	102,511,348	6,922,919	-	109,434,267	50,907,575	11,888,288	34,198	-	62,830,050	51,603,773
Sub-Total (B)	104,142,004	6,922,919	-	111,056,923	52,510,604	11,893,821	34,198	-	45,626,300	51,631,400
Total (A+B)	486,945,914	29,856,237	20,977,639	495,625,412	231,307,489	72,146,415	10,171,466	10,421,010	212,221,162	275,639,425

*Mortgaged as security against Secured Non Convertible Debentures

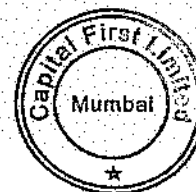


CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
13 Deferred tax assets (Net)		
Deferred tax asset:		
On account of depreciation on fixed assets	31,971,379	19,108,492
On other disallowances under Income Tax Act, 1961		
- Retirement Benefit	9,754,138	6,943,576
- Provision for doubtful debts	10,999,070	10,152,039
- Provision for doubtful retail loans	181,206,983	85,763,194
- Unamortised Processing fees	442,197,542	306,851,934
- Provision for standard assets	91,341,675	60,669,608
- Other disallowance	176,587	2,753,807
	<u>767,881,511</u>	<u>492,242,650</u>
Deferred tax liability:		
Special Reserve	1,923,626	1,116,496
Unamortised loan origination cost	313,885,810	223,343,596
Unamortised borrowing costs	94,523,799	96,979,072
	<u>410,333,235</u>	<u>321,439,164</u>
Net Deferred tax assets (Refer note 2.1(a))	<u>357,548,276</u>	<u>170,803,486</u>
14 Long term loans and advances:		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity (Refer note 33)	59,898,049,554	45,183,617,617
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity (Refer note 33)	1,007,821,843	387,966,081
<i>Unsecured, considered good</i>		
Capital advances	23,153,024	7,971,955
Security Deposits	76,226,104	75,176,679
Loans and advances relating to financing activity	5,773,573,706	3,302,885,668
Receivables under loans assigned	193,890,559	348,054,548
Advances recoverable in cash or in kind or for value to be received	12,806,848	14,480,841
Advance taxes (net of provision for tax)	553,937,855	738,796,053
	<u>6,633,588,096</u>	<u>4,487,355,744</u>
<i>Unsecured, considered doubtful</i>		
Loans and advances relating to financing activity	63,503,505	25,939,885
Receivables under loans assigned	18,075,970	
Security Deposits	300,000	300,000
	<u>81,879,475</u>	<u>26,239,885</u>
	<u>67,621,338,968</u>	<u>50,085,189,227</u>
15 Other non current assets:		
Unamortised loan origination cost	447,182,515	381,322,825
Unamortised borrowing costs	199,099,699	208,978,270
Balances with banks		
- In deposit accounts exceeding twelve months maturity	1,876,590,150	1,927,335,982
	<u>2,522,872,364</u>	<u>2,517,637,077</u>

* includes under lien Rs. 1,551,355,262 (Previous year Rs. 1,602,101,094) relating to assignment, Rs. 325,044,888 (Previous year Rs. 325,044,888) relating to term loans and Rs. 190,000 (Previous year Rs. 190,000) relating to Statutory taxes.

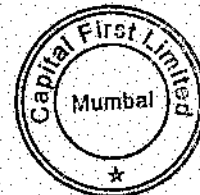
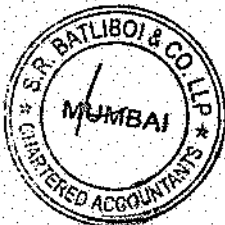


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CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

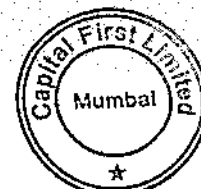
Particulars	Quantity	Amount in Rupees		
		As at December 31, 2014	Quantity	As at March 31, 2014
16 Current Investments				
Investments in Equity Instruments (Quoted):				
Investments in Others:				
<u>In fully paid up equity shares of Rs. 10/- each</u>				
Tata Coffee Limited	299,496	286,003,705	-	-
Entertainment Network (India) Limited	40,000	19,320,000	-	-
		<u>305,323,705</u>		<u>-</u>
Trade Investments				
Investments in Equity Shares: (Unquoted)				
<u>Equity Shares of Rs. 10 each, fully paid-up:</u>				
IndoSpace Rohan Industrial Park Private Limited	7,146	2,194,608	7146	2,194,608
IndoSpace Rohan Industrial Park Mahalunge Private Limited	105	2,001,735	105	2,001,735
IndoSpace Rohan Industrial Park Khed Private Limited	166	2,433,583	166	2,433,583
IndoSpace Rohan Industrial Park Pune Private Limited	105	2,005,232	105	2,005,232
Indospace SKCL Industrial Park Orgadem Private Limited	12,025	1,656,444	12025	1,656,444
Indospace FWS Industrial Park Private Limited	3,957	779,648	3957	779,648
Total		<u>11,071,250</u>		<u>11,071,250</u>
Investments in Commercial Papers		-	7,000	3,463,152,476
Investments in Mutual funds				
Birla Sunlife Cash Plus-Growth	820,397,049	180,250,000	-	-
DSP BlackRock Liquidity Fund- Growth	92,030,883	180,250,000	-	-
		<u>676,894,955</u>		<u>3,474,223,726</u>



CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
17 Trade receivables		
Trade receivables exceeding six months		
- Unsecured, considered doubtful	32,359,724	25,987,319
	<u>32,359,724</u>	<u>25,987,319</u>
Other debts		
- Unsecured, considered good	191,559,331	63,544,815
- Unsecured, considered doubtful	-	4,065,183
	<u>191,559,331</u>	<u>67,609,998</u>
	<u>223,919,055</u>	<u>93,597,317</u>
18 Cash and Bank Balances		
Cash and Cash Equivalents:		
Cash on hand *	93,284,032	139,406,694
Balances with Banks		
- in unclaimed dividend accounts	1,734,892	1,372,017
- in unclaimed share application money	1,801,580	1,932,180
- in current accounts	11,065,174,184	11,104,866,026
- in deposit accounts having original maturity less than three months	24,500,000	8,681,535,492
	<u>11,186,594,688</u>	<u>19,929,112,409</u>
Other Bank Balances		
Deposit with original maturity for more than three months but less than twelve months		
- in fixed deposit accounts #	200,000,000	200,639,068
- in fixed deposit account earmarked against Trade Guarantee Fund	1,000,000	1,000,000
	<u>11,387,594,688</u>	<u>20,130,751,477</u>
*Includes Cash in transit amounting to Rs. 24,869,486 (Previous year Rs. 12,098,144)		
# includes under lien Rs. 200,000,000 (Previous year Rs. 20,000,000) relating to assignment.		
19 Short term loans and advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity (Refer note 33)*	12,220,345,617	15,521,280,791
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity (Refer note 33)*	99,315,156	31,150,274
<i>Unsecured, considered good</i>		
Loans and advances relating to financing activity *	9,830,994,875	5,146,776,852
Receivables under loans assigned	119,752,334	144,894,197
Advances to staff	-	10,000,000
Advances recoverable in cash or in kind or for value to be received	117,669,048	1,474,914,839
Security Deposits	12,846,668	16,814,153
<i>Unsecured, considered doubtful</i>		
Security Deposits	1,825,000	1,825,000
Loans and advances relating to financing activity *	100,640,175	57,751,135
Receivables under loans assigned	2,234,109	-
Advances recoverable in cash or in kind or for value to be received	6,370,704	5,188,823
	<u>22,511,983,686</u>	<u>22,410,596,064</u>
* Includes current maturities of long term loans and advances and overdue advances.		
20 Other Current Assets		
Receivables from exchange (Refer note 32)	733,562,176	736,520,172
Interest accrued and due	68,015,613	12,982,273
Interest accrued but not due	1,187,930,568	951,401,300
Unamortised loan origination cost	477,061,264	276,053,373
Unamortised borrowing costs	78,197,213	76,355,179
Unbilled Subvention Income	50,178,715	45,831,504
	<u>2,596,945,549</u>	<u>2,099,143,801</u>

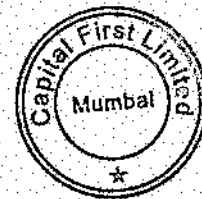
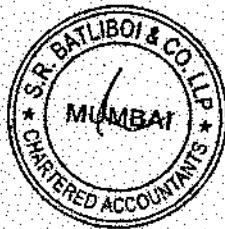


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CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees			
	For the nine months ended December 31, 2014	For the nine months ended December 31, 2013	For the quarter ended December 31, 2014	For the quarter ended December 31, 2013
21 Revenue from operations				
Interest income	9,463,290,377	7,074,394,244	3,412,663,005	2,523,593,259
Other financial services				
Fee income	773,094,572	428,313,841	322,717,055	161,328,231
Income from assignment of loans	150,038,478	65,607,118	48,663,097	26,540,873
Management fees	-	1,665,840	-	-
Commission and brokerage income	19,200,744	89,429,985	4,766,765	14,161,955
	<u>10,402,630,369</u>	<u>7,658,551,128</u>	<u>3,788,320,842</u>	<u>2,727,540,417</u>
22 Other Income				
Profit on sale of current investments (net)	141,293,313	56,638,118	9,031,336	28,657,703
Interest on income tax refund	23,609,209	8,975,861	-	-
Excess provision written back	297,059	73,075	-	-
Other non operating income	-	1,129,032	-	1,129,032
	<u>165,599,682</u>	<u>66,816,683</u>	<u>9,031,336</u>	<u>29,786,742</u>
23 Employee Benefits Expense				
Salaries and wages	959,677,787	901,138,159	337,151,544	269,500,206
Contribution to provident and other funds	34,373,991	31,784,202	11,313,795	9,476,075
Staff Welfare Expense	26,195,501	24,175,118	11,145,942	8,439,535
	<u>1,021,047,280</u>	<u>957,107,479</u>	<u>359,612,281</u>	<u>287,415,816</u>
24 Finance Costs				
Interest expense	5,506,845,627	4,541,075,489	1,831,098,315	1,646,660,659
Other borrowing costs (Refer note 2.2)	362,681,251	193,259,174	215,289,280	22,658,677
	<u>5,869,526,878</u>	<u>4,734,334,663</u>	<u>2,046,387,595</u>	<u>1,669,319,346</u>
25 Depreciation and Amortisation expense				
Depreciation on Fixed Assets (Refer note 2.1(a))	60,252,594	31,191,438	20,435,718	10,855,449
Amortisation of intangible assets	11,693,821	12,432,963	4,193,846	3,758,237
	<u>72,146,415</u>	<u>43,624,401</u>	<u>24,629,564</u>	<u>14,613,677</u>



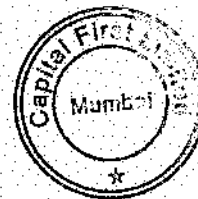
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SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

Particulars	Amount in Rupees			
	For the nine months ended December 31, 2014	For the nine months ended December 31, 2013	For the quarter ended December 31, 2014	For the quarter ended December 31, 2013
26 Other expenses				
Rent	112,793,011	169,091,868	36,768,691	33,650,657
Repairs others	59,810,463	51,352,884	22,225,392	15,081,725
Insurance	4,388,480	2,879,425	1,344,725	949,977
Rates and taxes	7,840,802	11,245,762	3,190,387	6,821,500
Auditors Remuneration				
- as auditor	5,737,500	3,037,500	1,777,500	1,312,500
- Tax audit fees	187,600	111,493	187,500	111,493
- for Certification and others	354,017	272,350	60,000	198,010
- for reimbursement of expenses	345,494	357,651	144,321	195,346
Business promotion expenses	20,128,783	18,723,032	7,582,078	13,076,912
Commission and brokerage	25,876,697	21,231,256	3,528,220	8,721,567
Traveling expenses	69,894,342	63,298,477	25,858,063	20,934,063
Communication expenses	83,692,712	54,828,593	24,964,272	18,644,686
Printing and stationery	18,365,533	17,466,845	8,136,053	7,015,711
Recruitment expenses	8,935,620	7,825,824	2,285,730	4,162,397
Membership and subscription	2,772,335	3,187,540	1,189,163	603,664
Advertisement and publicity expenses	52,881,601	29,891,699	16,852,603	9,129,825
Electricity charges	24,455,472	23,564,613	8,129,533	7,326,367
Amortised loan origination cost	441,725,550	331,216,149	188,071,395	114,848,250
Provision and Write offs:				
Provision for doubtful loans and advances	287,579,270	156,483,129	88,786,263	67,098,726
Provision for MTM in investments	688,841	-	688,841	-
Provision for standard assets (Refer note 2.1(b))	90,408,710	23,445,782	55,743,261	20,756,681
Bad loans and trade receivables written off (net of recovery)	354,719,582	213,772,349	160,148,047	87,468,652
Loss on sale of fixed asset (including write off) (net)	9,559,524	10,227,582	6,574,284	3,571,463
Goodwill Written Off (Refer note 31)	64,487,572	-	-	-
Donations	500,000	300,000	-	-
Legal and professional charges	465,634,473	250,674,926	154,829,659	98,239,540
CMS Charges	57,814,287	39,423,330	17,548,077	2,200,539
Directors sitting fees	1,075,328	640,448	272,360	191,124
Collection expenses	187,168,979	86,612,230	66,908,104	35,976,238
Remuneration to non whole time directors				
- Commission	4,500,000	4,046,640	1,500,000	1,250,000
Miscellaneous expenses	35,582,878	37,707,515	11,031,829	13,939,652
	<u>2,446,888,200</u>	<u>1,563,783,392</u>	<u>613,998,891</u>	<u>594,733,016</u>

27 Earnings per equity share ('EPS')

Basic EPS				
Net Profit considered for Basic EPS calculation	778,024,314	228,001,851	289,122,663	101,148,698
Weighted average number of equity shares	82,908,611	71,024,324	83,078,368	71,024,324
Nominal value per equity share	10.00	10.00	10.00	10.00
Earning per equity share - Basic	9.39	3.21	3.60	1.42
Diluted EPS				
Net Profit considered for Basic EPS calculation	778,024,314	228,001,851	289,122,663	101,148,698
Weighted average number of equity shares	82,908,611	71,024,324	83,078,368	71,024,324
Add: Weighted number of equity shares under options	2,930,584	406,415	2,600,564	260,314
Weighted average number of diluted equity shares	85,839,195	71,430,739	85,678,932	71,284,638
Nominal value per equity share	10.00	10.00	10.00	10.00
Earning per equity share - Diluted	9.08	3.19	3.48	1.42



CAPITAL FIRST LIMITED

SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

28 Contingent liabilities

Contingent Liabilities not provided for in respect of:

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
Corporate guarantee given by group to banks	90,190,000	90,190,000
Liability on account of retail trades	-	1,900,000
Income-tax matters under dispute *	51,974,963	36,233,160

* Future cash outflows are determinable only on receipt of judgements /decisions pending with various forums/authorities.

Particulars	Amount in Rupees	
	As at December 31, 2014	As at March 31, 2014
Estimated amount of contracts remaining to be executed on	15,261,604	19,497,916
Commitments relating to loans sanctioned but undrawn	1,327,284,494	1,208,395,838

29 Related Party Disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not:

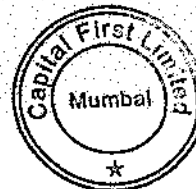
Relationship	Name of the Party
Holding Company	Cloverdell Investment Ltd.

Names of other related parties with whom transactions have taken place during the quarter:

Relationship	Name of the Party
Fellow subsidiaries	Dayside Investment Ltd
Key Management Personnel	Mr. V. Vaidyanathan - Chairman and Managing Director
Enterprises significantly influenced by key management personnel	JV & Associates LLP

Refer Annexure 1 for the transactions with related parties for the nine months ended December 31, 2014.
Refer Annexure 2 for the transactions with related parties for the quarter ended December 31, 2014.

- 30 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. 149,035,000 granted to the Trusts against the Share Capital to the tune of Rs. 6,097,130 and Securities Premium to the tune of Rs. 142,937,870 in respect of 609,713 shares held by the Trusts. During the quarter ended June 30, 2014, the Trusts had sold all the shares held by them. An amount of Rs. 130,590,000 had been received by the Company from the Trust till September 30, 2014. Post the sale, the Share Capital and Securities Premium has been reinstated by an aggregate amount of Rs. 149,035,000 and the shortfall of Rs 18,445,000, after adjusting the repayment received from the Trusts is adjusted against the Reserves & Surplus.
- 31 The Company was carrying goodwill of Rs. 64,487,572 arising on consolidation and which pertains to a subsidiaries engaged in advisory business. During the quarter ended June 30, 2014, the Company carried out an impairment testing of goodwill. Since the advisory business was terminated, the Company had written off the entire amount of goodwill in the previous quarter. There is no further goodwill carried in Company's books.
- 32 One of the Subsidiary of the Company has exposure to National Spot Exchange Limited (NSE) of Rs. 733,562,176 with respect to trade relationship of its clients with NSEL. Based on the contracts with its clients and legal opinion obtained by the Company, the subsidiary being a broker would not incur any liability to its clients, consequent to the payment crisis at NSEL. The subsidiary would recognize its brokerage income on receipt basis, on the amount received from NSEL on behalf of its clients.
- 33 Subsequent to the quarter ended December 31, 2014, the Company has decided to exit gold loan business. The gold loan portfolio as of December 31, 2014 is Rs. 4,793,327,362.

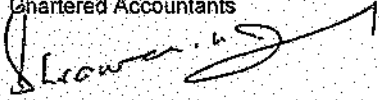


PS

34 Figures for previous quarter/nine months/year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter's classifications.

As per our report of even date

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



per Shrawan Jalan
Partner
Membership No. 102102

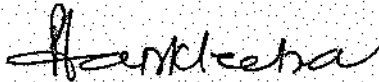
For and on behalf of the Board of Directors of
CAPITAL FIRST LIMITED



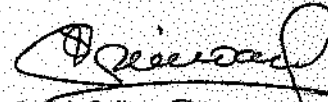
V. Vaidyanathan
Chairman &
Managing Director



N. C. Singhal
Director



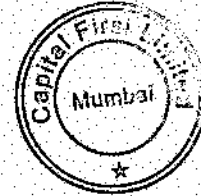
Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre



Satish Gaikwad
Company Secretary

Place: Mumbai
Date : February 10, 2015

Place: Mumbai
Date : February 10, 2015



RS

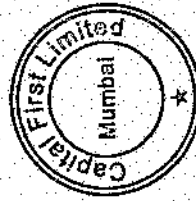
**CAPITAL FIRST LIMITED
SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND
NINE MONTHS ENDED DECEMBER 31, 2014**

Annexure 1

Transactions with Related parties for the nine months ended December 31, 2014

Relationship	Holding Company		Key Management Personnel	
	April 01, 2014 to December 31, 2014	April 01, 2013 to December 31, 2013	April 01, 2014 to December 31, 2014	April 01, 2013 to December 31, 2013
Period				
Managerial Remuneration - Mr. V. Vaidyanathan	-	-	29,999,997	29,999,997
Closing Balances : Receivable / (Payable)	As at December 31, 2014	As at March 31, 2014		
Advances Recoverable / (Payable)	-	-		

Amount in Rupees



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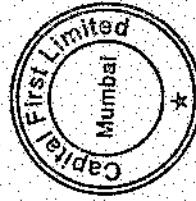
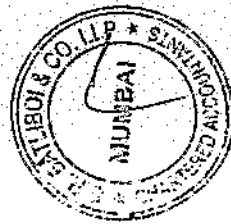
**CAPITAL FIRST LIMITED
SELECT EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE
MONTHS ENDED DECEMBER 31, 2014**

Annexure 2

Transactions with Related parties for the nine months ended December 31, 2014

Relationship	Holding Company		Key Management Personnel	
	October 01, 2014 to December 31, 2014	October 01, 2013 to December 31, 2013	October 01, 2014 to December 31, 2014	October 01, 2013 to December 31, 2013
Managerial Remuneration - Mr. V. Vaidyanathan	-	-	9,999,999	9,999,999
Closing Balances : Receivable / (Payable)	As at December 31, 2014	As at March 31, 2014		
Advances Recoverable / (Payable)	-	-		

Amount in Rupees



08