


Auditor's Report on Quarterly 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 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 quarterly financial results have been prepared from 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, 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. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results:
 - (i) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (ii) give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2014
4. 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 number of shares as well as percentage of shareholdings in respect of aggregate amount of 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
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 STANDALONE 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 'I')	30.06.2013 (Audited)	31.03.2014 (Audited)
1 Income from operations				
a) Income from operations	31,350.76	28,567.36	23,819.28	105,240.83
b) Other operating income	1,040.64	2,233.76	-	2,629.34
Total Income from operations (net)	32,391.40	30,801.12	23,819.28	107,870.17
2 Expenses				
a) Employee benefits expenses	3,280.94	3,068.30	3,471.47	12,639.37
b) Depreciation and amortisation expense (refer note 'c')	238.68	138.37	146.07	569.21
c) Provision and write offs	2,112.50	1,342.17	908.28	5,249.87
d) Amortised loan origination cost	1,117.37	1,788.04	975.12	5,099.50
e) Legal and Professional charges	1,351.00	1,126.52	461.16	3,620.28
f) Other expenses	2,331.55	2,283.39	2,111.10	8,276.89
Total Expenses	10,432.04	9,746.79	8,073.20	35,455.12
3 Profit from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	21,959.36	21,054.33	15,746.08	72,415.05
4 Other Income (refer note 'd')	242.05	-	89.75	101.05
5 Profit from Ordinary activities before Finance costs & Exceptional Items (3+4)	22,201.41	21,054.33	15,835.83	72,516.10
6 Finance Costs	18,921.89	17,264.87	14,961.12	64,982.75
7 Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6)	3,279.52	3,789.46	874.71	7,533.35
8 Exceptional Items	-	(97.75)	-	(3,444.75)
9 Profit from Ordinary activities before tax (7+8)	3,279.52	3,691.71	874.71	4,088.60
10 Tax expense (including Deferred Tax)	1,078.89	(711.91)	118.02	390.25
11 Net Profit from Ordinary activities after tax (9-10)	2,200.63	4,403.62	756.69	3,698.35
12 Extraordinary Item	-	-	-	-
13 Net Profit for the period / year (11-12)	2,200.63	4,403.62	756.69	3,698.35
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	-	-	-	105,281.87
16 a) Earnings per share (EPS) (before Extraordinary items) (Face Value-Rs.10 per share) *				
-Basic (Rs.)	2.66	6.16	1.07	5.20
-Diluted (Rs.)	2.65	6.14	1.06	5.19
b) Earnings per share (EPS) (after Extraordinary items) (Face Value-Rs.10 per share) *				
-Basic (Rs.)	2.66	6.16	1.07	5.20
-Diluted (Rs.)	2.65	6.14	1.06	5.19

*EPS for the quarters are not annualised

PART II

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**



ps

Notes

- a. The audited 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.
- b. During the quarter ended June 30, 2014, the Compensation and Nomination Committee of the Board of Directors, granted
- 6,500,000 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.
- 555,000 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.
- c. 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.
- d. Other income includes interest on income tax refund amounting to Rs. 238.08 lakhs received during the quarter.
- e. 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.
- f. 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 Statement of Profit and Loss and the Net Worth of the Company.
- g. 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.
- h. 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.
- i. 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.
- j. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter classification.

Place : Mumbai
Date : August 5, 2014



For CAPITAL FIRST LIMITED


V. Vaidyanathan
Chairman & Managing Director

PS