

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To

**Board of Directors of
Capital First Limited (formerly known as Future Capital Holdings Limited)**

1. We have audited the quarterly consolidated financial results of Capital First Limited (formerly known as Future Capital Holdings Limited) ('the Company') for the quarter ended March 31, 2013 and the consolidated financial results for the year ended March 31, 2013, 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. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2013 and the published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were audited by us. The consolidated financial results for the quarter ended March 31, 2013 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2012, the audited annual consolidated financial statements as at and for the year ended March 31, 2013, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial results for the nine-month period ended December 31, 2012 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India; our audit of the annual consolidated financial statements as at and for the year ended March 31, 2013; and the relevant requirements of Clause 41 of the Listing Agreement.
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(s). 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 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 March 31, 2013 and for the year ended March 31, 2013.
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2013 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2013 and the published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, as required under Clause 41(I)(d) of the Listing Agreement.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

5. 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.
6. We did not audit financial results of one subsidiary, whose financial results included in the consolidated quarterly financial results and consolidated year to date results, reflect total assets of Rs. 2500.01 lacs as at March 31, 2013 and Rs. 2500.01 lacs as at quarter ended March 31, 2013 as well as the total revenue of Rs. 680.09 lacs for the year ended March 31, 2013 and Rs. 169.08 lacs as at the quarter ended March 31, 2013. Consequently the unaudited financial statement of such subsidiary Company for the quarter and the year ended March 31, 2013 as certified by management of Capital First Limited has been used for consolidation and we have relied upon the same. Our opinion is not qualified in respect of this matter.

S R Batliboi & Co. LLP

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

CAI Firm registration number: 301003E

per Shrawan Jalan

Partner

Membership No.: 102102

Place of Signature: Mumbai

Date: May 27, 2013



STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013

PART I

(Rs. in Lakhs)

| PARTICULARS | QUARTER ENDED | | | YEAR ENDED | |
|--|---|-------------------------|---------------------------|-------------------------|-------------------------|
| | 31.03.2013 (Audited) Refer note 'q' | 31.12.2012 (Audited) | 31.03.2012 (Unaudited) | 31.03.2013 (Audited) | 31.03.2012 (Audited) |
| 1 | | | | | |
| a. Income from operations | | | | | |
| Income from operations (Refer note 'f' and 'g') | 21,197.71 | 20,534.05 | 22,585.77 | 81,479.34 | 74,014.62 |
| b. Other operating income | - | - | - | - | - |
| Total Income from operations (net) | 21,197.71 | 20,534.05 | 22,585.77 | 81,479.34 | 74,014.62 |
| 2 | | | | | |
| Expenses | | | | | |
| a. Employee benefits expenses | 3,342.52 | 3,588.96 | 2,682.83 | 13,936.00 | 8,684.15 |
| b. Depreciation and amortisation expense | 176.34 | 171.09 | 190.47 | 699.81 | 548.62 |
| c. Provision and write offs (Refer note 'e') | 1,400.69 | 670.04 | - | 2,201.36 | 2,252.80 |
| d. Amortised loan origination cost | 600.93 | 373.24 | 653.16 | 1,964.34 | 1,797.36 |
| e. Other expenses | 2,564.29 | 2,640.06 | 2,202.62 | 9,627.23 | 6,162.40 |
| Total Expenses | 8,084.77 | 7,443.39 | 5,729.08 | 28,428.74 | 19,445.33 |
| 3 | | | | | |
| Profit from Operations before Other Income, Finance Cost & Exceptional Items (1-2) | 13,112.94 | 13,090.66 | 16,856.69 | 53,050.60 | 54,569.29 |
| 4 | | | | | |
| Other income | 270.40 | 135.39 | 34.29 | 482.58 | 359.83 |
| 5 | | | | | |
| Profit from ordinary activities before Finance costs & Exceptional Items (3+4) | 13,383.34 | 13,226.05 | 16,890.98 | 53,533.18 | 54,929.12 |
| 6 | | | | | |
| Finance Costs (Refer note 'f') | 13,023.21 | 11,634.08 | 13,195.17 | 48,342.36 | 39,769.75 |
| 7 | | | | | |
| Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6) | 360.13 | 1,591.97 | 3,695.81 | 5,190.82 | 15,159.37 |
| 8 | | | | | |
| Exceptional Items (Refer note 'i') | (105.05) | - | - | 2,130.95 | - |
| 9 | | | | | |
| Profit from Ordinary activities before tax (7+8) | 255.08 | 1,591.97 | 3,695.81 | 7,321.77 | 15,159.37 |
| 10 | | | | | |
| Tax expense (including Deferred Tax) (Refer note 'h' & 'k') | (560.45) | 515.22 | 1,027.43 | 1,010.83 | 4,576.30 |
| 11 | | | | | |
| Net Profit from Ordinary activities after tax (9-10) | 815.53 | 1,076.75 | 2,668.38 | 6,310.94 | 10,583.07 |
| 12 | | | | | |
| Extraordinary Item | - | - | - | - | - |
| 13 | | | | | |
| Net Profit for the period / year (11-12) | 815.53 | 1,076.75 | 2,668.38 | 6,310.94 | 10,583.07 |
| 14 | | | | | |
| Share of minority interest | - | - | - | - | - |
| 15 | | | | | |
| Net Profit after minority interests (13-14) | 815.53 | 1,076.75 | 2,668.38 | 6,310.94 | 10,583.07 |
| Paid up Equity Share Capital (Refer note 'c' & 'd') | 7,102.43 | 6,788.49 | 6,479.85 | 7,102.43 | 6,479.85 |
| [Face Value-Rs.10 per share] | - | - | - | - | - |
| Reserves excluding Revaluation Reserves as per balance sheet (Refer note 'd' & 'j') | - | - | - | 89,029.80 | 76,707.34 |
| 16 | | | | | |
| a. Earnings per share (EPS) (before Extraordinary items) (of Rs.10/- each) | | | | | |
| -Basic (Rs.) | 1.23 | 1.59 | 4.12 | 9.49 | 16.33 |
| -Diluted (Rs.) | 1.22 | 1.52 | 4.12 | 9.44 | 16.33 |
| b. Earnings per share (EPS) (after Extraordinary items) (of Rs.10/- each) | | | | | |
| -Basic (Rs.) | 1.23 | 1.59 | 4.12 | 9.49 | 16.33 |
| -Diluted (Rs.) | 1.22 | 1.52 | 4.12 | 9.44 | 16.33 |

PART II

| PARTICULARS OF SHAREHOLDING | | | | | |
|--|------------|------------|------------|------------|------------|
| 1 | | | | | |
| Public shareholding | | | | | |
| -Number of shares | 20,900,063 | 21,090,824 | 28,318,485 | 20,900,063 | 28,318,485 |
| -Percentage of shareholding | 29.43% | 31.07% | 43.70% | 29.43% | 43.70% |
| 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 | 50,124,261 | 46,794,080 | 36,479,999 | 50,124,261 | 36,479,999 |
| -Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| -Percentage of shares (as a % of the total share capital of the company) | 70.57% | 68.93% | 56.30% | 70.57% | 56.30% |

| PARTICULARS | | QUARTER ENDED 31.03.2013 |
|-------------|--|--------------------------|
| B | INVESTOR COMPLAINTS | |
| | Pending at the beginning of the quarter | 2 |
| | Received during the quarter | 3 |
| | Disposed of during the quarter | 3 |
| | Remaining unresolved at the end of the quarter | 2* |

* Pending complaints are in the nature of the Consumer Court cases and Civil Court cases which are "Subjudice" and hence they are treated as pending.

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BY**

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



Notes

- a. The audited consolidated financial results relates to Capital First Limited (Formerly known as Future Capital Holdings 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' as notified by the Companies (Accounting Standards) Rules, 2006. 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 consolidated financial results for the quarter and year ended March 31, 2013, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors (the "Board") at their respective meetings held on May 27, 2013.
- c. During the quarter ended March 31, 2013, 3,086,420 Compulsorily Convertible Preference Shares, earlier issued to Cloverdell Investment Limited on preferential basis, were converted into 3,086,420 equity shares of Rs.10/- each fully paid up at a premium of Rs. 152 per share vide Board resolution passed by circulation on March 14, 2013.
- d. As per the Guidance Note issued by the Institute of Chartered Accountants of India on accounting for Employee Share-based payment which requires that shares allotted to trusts but not transferred to the employees be reduced from Share Capital and Reserves. Accordingly, the Company has adjusted the Share Capital by Rs. 60.97 lakhs (Previous year Rs. 30.00 lakhs) and Securities Premium by Rs. 1,457.38 lakhs (Previous Year Rs. 1,096.35 lakhs) in respect of 609,713 (Previous Year: 300,000) equity shares held by the trusts.
- e. During the quarter ended June 30, 2012, the Company had changed its accounting policy related to provisioning for non-performing gold loans and consumer durable loans. Consequent to the change in accounting policy, provision & write off for the quarter and year ended March 31, 2013 is lower by Rs. 440.31 lakhs and Rs. 1,856.45 lakhs respectively in respect of gold loans and higher by Rs. 26.94 lakhs and Rs. 129.96 lakhs respectively in respect of consumer durable loans. As a result net provisions and write off for the current quarter and year is lower by Rs. 413.37 lakhs and Rs. 1,726.49 lakhs respectively. The current provision based on the revised accounting policy meets the provisioning norms as stipulated by RBI.
- f. With effect from the quarter ended September 30, 2012, the Company had changed its accounting policy for recording fee income on wholesale loans and ancillary borrowing cost. As per the new policy, the Company will amortise the fee income on wholesale loans over the tenure of loan and ancillary borrowing cost over the tenure of borrowings. Consequent to the change in accounting policy, the profits for the quarter and year ended March 31, 2013 is higher by Rs. 870.12 lakhs and Rs. 605.12 lakhs respectively.
- g. During the year ended March 31, 2013, the Company adopted the accounting policy for assignment transactions as notified by the RBI in its circular "Revision to the Guidelines on Securitisation Transactions" issued on August 21, 2012. Accordingly, the income from assignment transactions during the quarter and year ended March 31, 2013, is higher by Rs. 112.20 lakhs and lower by Rs. 1,284.87 lakhs respectively, on account of change in the method of deferral of recognition of income, prescribed in the revised guidelines issued by RBI.
- h. The Company has started recognising deferred tax asset on provision for standard assets and unamortised fees and deferred tax liability on loan origination cost from the quarter ended June 30, 2012. An amount of Rs. 230.72 lakhs (net debit) and Rs. 174.74 lakhs (net credit) in the current quarter and year ended March 31, 2013 respectively, is towards the same.
- i. The Company has sold its stake in Future Finance Limited vide Share Purchase Agreement dated September 17, 2012 for a consideration of Rs. 1,520.47 lakhs. The net loss of Rs. 105.05 lakhs after goodwill write off has been reported as exceptional items for the quarter and for the year ended March 31, 2013. Further, during the year ended March 31, 2013, the Company has sold its stake in Myra Mall Management Company Limited vide Share Purchase Agreement dated July 09, 2012 for a consideration of Rs. 2,236.00 lakhs. The profit of Rs. 2,236.00 lakhs on sale of shares has been reported as exceptional items.
- j. Debenture issue expenses for the year ended March 31, 2013 aggregating Rs. 2,015.44 lakhs has been adjusted against the Securities Premium Account in accordance with Sec 78 of the Companies Act, 1956.
- k. The Company has paid tax as per Minimum Alternative Tax (MAT) and accordingly MAT credit of Rs. 658.37 lakhs has been created for the quarter and year ended March 31, 2013.
- l. 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' as notified by the Companies (Accounting Standards) Rules, 2006.
- m. During the quarter ended March 31, 2013, the Compensation and Nomination Committee of the Board of Directors, granted 15,000 stock options representing equal number of equity shares of face value of Rs.10/- each in the Company to the eligible employee, under CFL Employees Stock Option Scheme - 2012.
- n. During the year ended March 31, 2013, the Company has changed its policy relating to leave encashment. The outstanding leave balances as at March 31, 2013 will not be carried forward and leave balance up to a maximum of 36 days will be paid to the employees based on their basic salary. Going forward, all the earned leave during the financial year and remaining unutilized will be encashed at the year end based on basic salary. Consequent to the change in policy, the profit for the year ended is lower by Rs. 8.66 lakhs.
- o. During the year ended March 31, 2013, the Company had noticed fraud in respect of Gold loans involving collusion with employees of the Company who had availed loans and embezzled loans aggregating to Rs.405.51 lakhs from the Company on the basis of fraudulent documents and gold. The Company has initiated legal proceedings for recovery of the said amount against the said customers and employees from whom gold was seized but the gold is still lying with police custody. The company has also filed an insurance claim for claiming the loss. During the current quarter ended March 31, 2013, the Company has written off loan amount aggregating to Rs. 405.51 lakhs which was fully provided in earlier quarters.
- p. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs. 1.80 per share (18%)
- q. The figures for the last quarter of the current year and for the previous year are the balancing figures between audited figures in respect of the full financial year and the published year- to-date figures up to third quarter.
- r. The consolidated results for the quarter and year ended March 31, 2013 includes unaudited financial statements of Anchor Trading and Investments Private Limited, a subsidiary, which has been certified by the Management.
- s. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year classification.
- t. The Standalone Financial Results are available on the Company's website viz. www.capitalfirst.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

**SIGNED FOR IDENTIFICATION
BY**

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



For Capital First Limited
(Formerly known as Future Capital Holdings Limited)

V. Vaidyanathan
Chairman & Managing Director

Place : Mumbai
Date : May 27, 2013

CAPITAL FIRST LIMITED

(Formerly known as Future Capital Holdings Limited)

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

(Rs. in Lakhs)

| Standalone financials summary | QUARTER ENDED | | | YEAR ENDED | |
|-----------------------------------|---|-------------------------|---------------------------|-------------------------|-------------------------|
| | 31.03.2013 (Audited) Refer note 'q' | 31.12.2012 (Audited) | 31.03.2012 (Unaudited) | 31.03.2013 (Audited) | 31.03.2012 (Audited) |
| Revenues (including other income) | 20,867.56 | 20,254.71 | 22,212.62 | 80,005.41 | 70,276.24 |
| Exceptional item | 296.10 | - | - | 2,432.10 | - |
| Profit before tax | 910.75 | 1,610.02 | 3,553.57 | 7,844.39 | 13,511.20 |
| Profit after tax | 1,500.99 | 1,148.73 | 2,557.69 | 6,977.38 | 9,219.27 |

Statement of Assets and Liabilities (Consolidated)

(Rs. in Lakhs)

| | As at 31.03.2013 (Audited) | As at 31.03.2012 (Audited) |
|--|----------------------------------|----------------------------------|
| | | |
| EQUITY AND LIABILITIES | | |
| 1. Shareholders' Funds | | |
| (a) Share Capital | 7,041.46 | 6,449.85 |
| (b) Reserves and Surplus | 89,029.80 | 76,707.34 |
| Sub-Total shareholders' funds | 96,071.26 | 83,157.19 |
| 2. Non - Current Liabilities | | |
| (a) Long term borrowings | 442,152.57 | 272,033.61 |
| (b) Other Long term liabilities | 2,917.50 | 1,336.85 |
| (c) Long term provisions | 8,061.21 | 9,409.98 |
| Sub-Total non-current liabilities | 453,131.28 | 282,780.44 |
| 3. Current Liabilities | | |
| (a) Short term borrowings | 107,029.05 | 115,223.51 |
| (b) Trade payables | 5,517.63 | 4,210.93 |
| (c) Other current liabilities | 86,471.23 | 79,487.29 |
| (d) Short term provisions | 5,773.17 | 4,290.85 |
| Sub-Total current liabilities | 204,791.08 | 203,212.58 |
| TOTAL - EQUITY & LIABILITIES | 753,993.62 | 569,150.21 |
| ASSETS | | |
| 1. Non-Current Assets | | |
| (a) Fixed Assets | 3,907.17 | 3,994.80 |
| (b) Non - current investments | 7,634.38 | 27,546.54 |
| (c) Deferred tax assets (Net) | 867.43 | 691.93 |
| (d) Long term loans and advances | 396,348.88 | 271,507.06 |
| (e) Other non current assets | 21,544.56 | 16,469.83 |
| Sub-Total non-current assets | 430,302.42 | 320,210.16 |
| 2. Current Assets | | |
| (a) Current Investments | 6,857.14 | 5,765.30 |
| (b) Trade receivables | 3,898.86 | 1,463.63 |
| (c) Cash and Bank Balances | 122,060.30 | 50,919.67 |
| (d) Short term loans and advances | 180,954.52 | 184,928.94 |
| (e) Other current assets | 9,920.38 | 5,862.51 |
| Sub-Total current assets | 323,691.20 | 248,940.05 |
| TOTAL ASSETS | 753,993.62 | 569,150.21 |

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MUMBAI**

