

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) ("the Company")**

1. We have audited the quarterly financial results of Capital First Limited (formerly known as Future Capital Holdings Limited) ("the Company") for the quarter ended March 31, 2013 and the 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 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 financial results for the quarter ended March 31, 2013 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2012, the audited annual 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 financial results based on our audit of the 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 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(1)(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.

S R Batliboi Co LLP

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 701003E

per Shrawan Jalan

Partner

Membership No.: 102102

Place of Signature: Mumbai

Date: May 27, 2013



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

PART I

(Rs. In Lakhs)

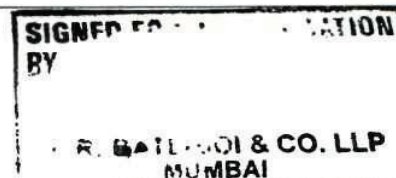
PARTICULARS		QUARTER ENDED			YEAR ENDED	
		31.03.2013 (Audited) Refer note 'p'	31.12.2012 (Audited)	31.03.2012 (Unaudited)	31.03.2013 (Audited)	31.03.2012 (Audited)
1	Income from operations					
a.	Income from operations (Refer note 'f' and 'g')	20,867.56	20,146.36	22,212.62	79,814.75	70,191.83
b.	Other operating income	-	-	-	-	-
	Total Income from operations (net)	20,867.56	20,146.36	22,212.62	79,814.75	70,191.83
2	Expenses					
a.	Employee benefits expenses	3,134.78	3,384.51	2,472.67	13,077.44	7,958.76
b.	Depreciation and amortisation expense	153.01	146.15	128.37	563.23	298.13
c.	Provision and write offs (Refer note 'e')	698.33	439.01	-	1,262.52	1,624.93
d.	Amortised loan origination cost	600.93	373.24	653.16	1,964.34	1,797.36
e.	Other expenses	2,465.88	2,407.76	2,215.65	8,878.99	5,522.82
	Total Expenses	7,052.93	6,750.67	5,469.85	25,746.52	17,202.00
3	Profit from Operations before Other Income, Finance Cost & Exceptional items (1-2)	13,814.63	13,395.69	16,742.77	54,068.23	52,989.83
4	Other Income	-	108.35	-	190.66	84.41
5	Profit from Ordinary activities before Finance costs & Exceptional Items (3+4)	13,814.63	13,504.04	16,742.77	54,258.89	53,074.24
6	Finance Costs (Refer note 'f')	13,199.98	11,894.02	13,189.20	48,846.60	39,563.04
7	Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6)	614.65	1,610.02	3,553.57	5,412.29	13,511.20
8	Exceptional Items (Refer note 'h')	296.10	-	-	2,432.10	-
9	Profit from Ordinary activities before tax (7+8)	910.75	1,610.02	3,553.57	7,844.39	13,511.20
10	Tax expense (including Deferred Tax) (Refer note 'i' & 'k')	(590.24)	461.29	995.88	867.01	4,291.93
11	Net Profit from Ordinary activities after tax (9-10)	1,500.99	1,148.73	2,557.69	6,977.38	9,219.27
12	Extraordinary Item	-	-	-	-	-
13	Net Profit for the period / year (11-12)	1,500.99	1,148.73	2,557.69	6,977.38	9,219.27
14	Paid up Equity Share Capital (Refer note 'c' & 'd') [Face Value-Rs.10 per share]	7,102.43	6,788.49	6,479.85	7,102.43	6,479.85
15	Reserves excluding Revaluation Reserves as per balance sheet (Refer note 'd' & 'j')	-	-	-	87,153.27	74,596.57
16	a. Earnings per share (EPS) (before Extraordinary items) (of Rs.10/- each)					
	-Basic (Rs.)	2.26	1.69	3.95	10.49	14.23
	-Diluted (Rs.)	2.25	1.62	3.95	10.44	14.23
	b. Earnings per share (EPS) (after Extraordinary items) (of Rs.10/- each)					
	-Basic (Rs.)	2.26	1.69	3.95	10.49	14.23
	-Diluted (Rs.)	2.25	1.62	3.95	10.44	14.23

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.



Notes

- a. The audited 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.
- b. 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.
- c. During the quarter ended March 31, 2013, 3,086,420 Compulsorily Convertible Preference Shares, earlier issued to Cloverdell Investment Ltd 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. During the quarter ended September 30, 2012, 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 having book value of Rs. 100 lakhs. Also, during the quarter ended March 31, 2013, the Company has sold its stake in Future Finance Limited, for a consideration of Rs. 1,520.47 lakhs having book value of Rs. 1,224.37 lakhs. The profits on sale of shares has been reported as exceptional items.
- i. 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.
- 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. 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 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. 4.05 lakhs.
- n. 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.
- o. The Board of Directors have recommended, subject to the approval of shareholders, dividend of Rs. 1.80 per share (18%)
- p. 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.
- q. Figures for previous quarter/ year have been regrouped and/or reclassified wherever considered necessary, to conform to current quarter/ year classification.

**SIGNED FOR IDENTIFICATION
BY**

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

Place : Mumbai
Date : May 27, 2013



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

V. Vaidyanathan
Chairman & Managing Director

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.

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2013 (Audited)	As at March 31, 2012 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	7,041.46	6,449.85
(b) Reserves and Surplus	87,153.27	74,596.57
Sub-Total shareholders' funds	94,194.73	81,046.42
2 Non - current liabilities		
(a) Long term borrowings	445,215.32	272,033.61
(b) Other long term liabilities	2,893.21	1,092.93
(c) Long term provisions	8,219.05	9,748.04
Sub-Total non-current liabilities	456,327.58	282,874.58
3 Current Liabilities		
(a) Short term borrowings	109,376.55	115,223.51
(b) Trade payables	5,275.15	4,087.87
(c) Other current liabilities	85,051.57	77,987.59
(d) Short term provisions	4,670.09	4,126.30
Sub-Total current liabilities	204,373.36	201,425.27
TOTAL-EQUITY & LIABILITIES	754,895.67	565,346.27
B ASSETS		
1 Non - current assets		
(a) Fixed Assets	2,965.51	2,676.93
(b) Non - current investments	19,008.22	26,426.76
(c) Deferred tax assets (Net)	770.94	679.96
(d) Long term loans and advances	395,776.07	274,196.16
(e) Other non current assets	21,544.55	15,321.43
Sub-Total non-current assets	440,065.29	319,301.24
2 Current Assets		
(a) Current Investments	6,857.14	6,068.37
(b) Trade receivables	1,399.42	464.07
(c) Cash and cash equivalents	115,211.83	49,550.32
(d) Short term loans and advances	181,479.42	183,890.32
(e) Other current assets	9,882.57	6,071.95
Sub-Total current assets	314,830.38	246,045.03
TOTAL ASSETS	754,895.67	565,346.27

**SIGNED FOR IDENTIFICATION
BY****S. R. BATLIBOI & CO. LLP
MUMBAI**