

**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

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 December 31, 2012 and the year-to-date results for the period April 1, 2012 to December 31, 2012, 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 as well as the year-to-date financial results have been prepared on the basis of the 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, 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.
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. 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 December 31, 2012 as well as the year to date results for the period from April 1, 2012 to December 31, 2012.
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.

S R Batliboi & Co.

For S.R. Batliboi & Co.
Chartered Accountants
Firm's Registration Number: 301003E

Shrawan Jalan

per Shrawan Jalan
Partner
Membership Number: 102102
Place: Mumbai
Date: 06/02/2013



PART I

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2012

(Rs. In Lakhs unless otherwise stated)

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED	
	31.12.2012 (Audited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Audited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)	
1	Income from operations						
a.	Income from operations (Refer note f and g)	20,146.36	18,494.42	16,675.25	58,947.19	47,979.21	70,191.83
b.	Other operating income	-	-	-	-	-	-
	Total Income from Operations (net)	20,146.36	18,494.42	16,675.25	58,947.19	47,979.21	70,191.83
2	Expenses						
a.	Employee benefits expenses	3,384.51	3,574.26	2,132.77	9,942.66	5,486.09	7,958.76
b.	Depreciation and amortisation expense	146.15	151.60	54.74	410.22	169.76	298.13
c.	Provision and write offs (Refer note e)	439.01	163.34	0.41	564.19	1,670.21	1,624.93
d.	Amortised loan origination cost	373.24	394.10	310.68	1,363.41	1,144.20	1,797.36
e.	Other expenses	2,407.76	2,195.89	1,294.30	6,413.11	3,314.95	5,522.82
	Total Expenses	6,750.67	6,479.19	3,792.90	18,693.59	11,785.21	17,202.00
3	Profit from Operations before Other Income, Finance Cost & Exceptional items (1-2)	13,395.69	12,015.23	12,882.35	40,253.60	36,194.00	52,989.83
4	Other Income	108.35	-	77.85	190.66	84.48	84.41
5	Profit from Ordinary activities before Finance costs & Exceptional Items (3+4)	13,504.04	12,015.23	12,960.20	40,444.26	36,278.48	53,074.24
6	Finance Costs (Refer note f)	11,894.02	12,289.10	9,968.96	35,646.62	26,320.84	39,563.04
7	Profit from Ordinary activities after Finance costs but before Exceptional Items (5-6)	1,610.02	(273.87)	2,991.24	4,797.64	9,957.64	13,511.20
8	Exceptional Items	-	2,136.00	-	2,136.00	-	-
9	Profit from Ordinary activities before tax (7+8)	1,610.02	1,862.13	2,991.24	6,933.64	9,957.64	13,511.20
10	Tax expense (Refer note h)	461.29	242.32	928.80	1,457.25	3,296.05	4,291.93
11	Profit from Ordinary activities after tax (9-10)	1,148.73	1,619.81	2,062.44	5,476.39	6,661.59	9,219.27
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-
13	Net Profit for the period (11-12)	1,148.73	1,619.81	2,062.44	5,476.39	6,661.59	9,219.27
14	Paid up Equity Share Capital (Refer Note d) [Face Value-Rs. 10 per share]	6,788.49	6,788.49	6,479.85	6,788.49	6,479.85	6,479.85
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	74,596.57
16	Earnings per share (EPS)						
a.	-Basic and diluted EPS (before Extraordinary items) (of Rs. 10/- each) (Not Annualised)						
	-Basic EPS (Rs.)	1.69	2.50	3.18	8.31	10.28	14.23
	-Diluted EPS (Rs.)	1.62	2.49	3.18	8.16	10.27	14.23
b.	-Basic and diluted EPS (after Extraordinary items) (of Rs. 10/- each) (Not Annualised)						
	-Basic EPS (Rs.)	1.69	2.50	3.18	8.31	10.28	14.23
	-Diluted EPS (Rs.)	1.62	2.49	3.18	8.16	10.27	14.23

PART II

A		PARTICULARS OF SHAREHOLDING					
1	Public shareholding						
	-Number of shares	21,090,824	38,879,090	25,244,690	21,090,824	25,244,690	28,318,485
	-Percentage of shareholding	31.07%	57.27%	38.96%	31.07%	38.96%	43.70%
2	Promoters and Promoter Group shareholding						
a.	Pledged/ Encumbered						
	-Number of shares	-	-	4,773,795	-	4,773,795	-
	-Percentage of shares (as a percentage to total Promoters and Promoter Group shareholding)	-	-	12.07%	-	12.07%	-
	-Percentage of shares (as a percentage to total Share Capital of the Company)	-	-	7.37%	-	7.37%	-
b.	Non-encumbered						
	-Number of shares	46,794,080	29,005,814	34,779,999	46,794,080	34,779,999	36,479,999
	-Percentage of shares (as a percentage to total Promoters and Promoter Group shareholding)	100.00%	100.00%	87.93%	100.00%	87.93%	100.00%
	-Percentage of shares (as a percentage to total Share Capital of the Company)	68.93%	42.73%	53.67%	68.93%	53.67%	56.30%

B INVESTOR COMPLAINTS

Pending at the beginning of the quarter	2
Received during the quarter	13
Disposed off during the quarter	13
Remaining unresolved at the end of the quarter	2*

* The 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.

SIGNED FOR IDENTIFICATION
BY

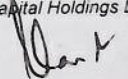
S. R. BATLIBOI & CO.
MUMBAI



Notes

- a. The audited financial results for the quarter and nine months period ended December 31, 2012 have been approved by the Audit Committee and by the Board of Directors (the "Board") at their meetings held on February 6, 2013.
- b. During the quarter ended December 31, 2012, the Compensation and Nomination Committee of the Board of Directors, granted 40,000, 30,000, 347,500 and 1,300,000 stock options representing equal number of equity shares of face value of Rs.10/- each in the Company to the eligible employee(s), under CFL Employees Stock Option Scheme - 2008, 2009, 2011 and 2012 respectively.
- c. During the previous quarter, the Board of Directors at its Meeting held on September 28, 2012 allotted 3,086,420, 0.01% Compulsorily Convertible Preference Shares each convertible into equal number of equity shares of the Company of Rs.10/- each, at the premium of Rs.152/- each and 3,086,420 Equity Shares of Rs.10/- each, at the premium of Rs.152/- each to Cloverdell Investment Limited on preferential basis. The said funds pursuant to the aforesaid allotment have been utilised for the object of the issue.
- 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 a trust but not transferred to the employees be reduced from Share Capital and Reserves. Accordingly 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) shares held by the trust pending for transfer into the beneficiary accounts of the eligible employees.
- 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 nine months period ended December 31, 2012 is lower by Rs. 620.90 lakhs and Rs. 1,416.14 lakhs respectively in respect of gold loans and higher by Rs.28.11 lakhs and Rs. 103.02 lakhs respectively in respect of consumer durable loans. As a result net provisions and write off for the current quarter and nine months period is lower by Rs.592.79 lakhs and Rs. 1,313.12 lakhs respectively. The current provision based on the revised accounting policy meets the minimum provisioning norms as stipulated by RBI.
- f. During the quarter ended September 30, 2012, the Company had changed its accounting policy related to 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 nine months period ended December 31, 2012 is lower by Rs.11.31 lakhs and Rs. 265.01 lakhs respectively.
- g. Pursuant to the RBI Circular No. DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012, the Company has changed its accounting policy related to income from Assignment of loans and receivables. As per the new policy, the income from assignment of loans and receivables will be amortised over the tenure of loans. Consequent to the change in accounting policy, the profits for the quarter is higher by Rs. 113.88 lakhs and profits for the nine months period ended December 31, 2012 is lower Rs. 1,397.07 lakhs.
- 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 30 June 2012. An amount of Rs. 52.07 lakhs and Rs. 405.45 lakhs (net credit) in the current quarter and nine months period ended December 31, 2012 respectively is towards the same.
- i. The main business of the Company is financing. As such, there are no separate reportable segments as per the Accounting Standard (AS) 17, Segmental Reporting notified by the Companies (Accounting Standards) Rules, 2006.
- j. During the quarter, the name of the Company has changed from 'Future Capital Holdings Limited' to 'Capital First Limited' with effect from 8th Nov, 2012.
- k. Figures for previous quarter/ nine months/ year have been regrouped/ rearranged wherever necessary, to conform to current quarter/ nine months period classification.

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



V. Vaidyanathan
Chairman & Managing Director

Place : Mumbai
Date : February 6, 2013

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BY

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