

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of FUTURE CAPITAL HOLDINGS LIMITED will be held at the Mini Theatre, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025, on Tuesday, 25th September, 2012, at 3:00 p.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, the Statement of Profit & Loss for the year ended 31st March, 2012, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2012.
3. To appoint a Director in place of Mr. G. N. Bajpai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. K. Rathi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. S. R. Batliboi & Co., Chartered Accountants, having firm registration no. 301003E, Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in supersession of the resolution passed by the Members of the Company at the 6th Annual General Meeting of the Company held on 17th August, 2011 and pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“the Act”) and the provisions of the Memorandum of Association and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of monies, from time to time, in any form including but not limited to bank/ institutional loans, inter corporate deposit(s), credit facilities, debentures (redeemable, non-convertible, structured or

unstructured), other non-convertible instruments, sub-debt, perpetual debt or in any other form, upon such terms and conditions as to interest, repayment, or otherwise and with or without security, as the Board may think fit for the purposes of the Company’s business notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed at any point in time (excluding any interest on such borrowings) a sum equivalent to ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore Only) over and above the aggregate, for the time being, of the paid-up share capital and free reserves of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to approve, finalise, modify, settle and execute such documents / deeds / writings / papers / agreements as may be required or considered necessary by the Board and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowing(s) as aforesaid or in respect of any other related matter in this regard.”

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and / or any other applicable regulatory authorities, the Members of the Company hereby accord their approval for changing the name of the Company from ‘Future Capital Holdings Limited’ to ‘Capital First Limited’.

RESOLVED FURTHER THAT upon the change of name of the Company becoming effective, the name ‘Future Capital Holdings Limited’ wherever it occurs in the Memorandum and Articles of Association and all other records of the Company, be substituted by the name ‘Capital First Limited’.

RESOLVED FURTHER THAT subject to and in accordance with the provisions of law, as may be applicable from time to time, the Board or a Committee thereof be and is hereby

NOTICE (CONTD.)

authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

- i. The following Article be inserted after the existing Article 91 as Article 91A:

Participation through Electronic Mode

91A: Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities to enable the Shareholders of the Company to participate in General Meetings/Postal Ballot of the Company. Such participation by the Shareholders at General Meetings/Postal Ballot of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii. The following Article be inserted after the existing Article 161 as Article 161A:

Participation through Electronic Mode

161A : Notwithstanding anything contrary contained in the Articles of Association, the Director(s) of the Company may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible

electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- iii. The following proviso be inserted after the existing Article 163 as Article 163A:

163A: Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

- iv. The following Article be inserted after the existing Article 200(2) as Article 200(3):

200(3): Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/ may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/ may be provided by any law.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any Committee or any person which the Board may constitute/ nominate to exercise its powers, including the powers by this Resolution) be authorised to carry out the above mentioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.”

By Order of the Board of Directors

Sd/-

Chetan Gandhi

Head - Legal & Secretarial

Place : Mumbai

Date : 30th July, 2012

Registered Office:

Indiabulls Finance Centre, Tower - 2,
15th Floor, Senapati Bapat Marg,
Elphinstone (West),
Mumbai - 400 013.

NOTICE (CONTD.)

NOTES:

- a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business set out in the Notice, wherever applicable, is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- c) Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.
- d) Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- e) Members desirous of obtaining any information as regards accounts of the Company are requested to write to the Company atleast one week before the Meeting, so that the information required will be made available at the Annual General Meeting.
- f) Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days of the Company, between 2:00 p.m. to 5:00 p.m. up to the date of the Annual General Meeting.
- g) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 8th September, 2012 to Tuesday, 11th September, 2012 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
- h) The dividend on Equity Shares, if declared at the Annual General Meeting, will be paid on or after Wednesday, 26th September, 2012, to those Members, holding shares in physical form, whose names shall appear on the Company's Register of Members on Friday, 7th September, 2012. In respect of the shares held in dematerialized form, the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on Friday, 7th September, 2012. In terms of the directives of Securities and Exchange Board of India, shares issued by the Company should rank pari-passu in all respects, including dividend entitlement and accordingly the equity shares allotted/to be allotted by the Company during the period 1st April, 2012 to 7th September, 2012, will also be entitled to the dividend.
- i) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Transfer Agent of the Company, viz., Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078, quoting their Folio Number(s).
- j) The Company will disburse the dividend vide NECS to those shareholders whose requisite particulars are available and to other shareholders vide dividend warrants. The intimation of dividend payout / dispatch will be sent within the statutory period.
- k) Members/Proxies are requested to bring the Attendance Slip(s) duly filled in.
- l) Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report to the Meeting.
- m) Members are requested to note that the Company's shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- n) Members may avail of the nomination facility as provided under Section 109A of the Companies Act, 1956.
- o) Pursuant to the requirements of Corporate Governance under Clause 49 of Listing Agreement entered into with the Stock Exchange(s), the brief resumes of all the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between Directors inter-se, are provided in the Directors' Report forming part of the Annual Report.

NOTICE (CONTD.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.6:

At the Sixth Annual General Meeting of the Company held on 17th August, 2011, Members of the Company had accorded their approval in terms of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors to borrow monies from time to time, not exceeding ₹ 5,500 Crore (Rupees Five Thousand Five Hundred Crore Only) in excess of the aggregate of the paid up capital and free reserves of the Company.

To meet the growing business requirements and to enable an active borrowing programme by the Company and to access funds at most competitive rate(s), the Company may consider undertaking different forms of borrowings including but not limited to term loan(s), working capital facilities, inter corporate deposit(s), commercial paper, debentures, sub-debt, other non-convertible or convertible debt instruments and/or other fund based facilities whether secured or unsecured or structured or unstructured as may be allowable to be mobilised by the Company. In this regard, it is, therefore, proposed to increase the present borrowing limits from ₹ 5,500 Crore (Rupees Five Thousand Five Hundred Crore Only) to ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore Only) over and above the paid up share capital and free reserves of the Company.

Pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, approval of the Members at a General Meeting is required if the monies to be borrowed, together with the monies already borrowed by a Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceed the aggregate of the paid-up share capital of the Company and its free reserves.

The Members by way of an Ordinary Resolution passed at the Annual General Meeting dated 17th August, 2011, had authorised the Board of Directors, under Section 293(1)(a) of the Companies Act, 1956, to offer and create such charge(s), hypothecation(s) and / or mortgage(s) of any description, in such form, manner, ranking as to priority, at such time and on such terms as the Board may determine, over the moveable and / or immovable, tangible and/or intangible, properties of the Company, in favour of the lenders for the purpose of securing the borrowing(s) of the Company, subject to the limits of borrowing as approved by the Members of the Company, from time to time, under Section 293(1)(d) of the Companies Act, 1956.

Accordingly, it is proposed to seek approval of the Members under Section 293(1)(d) of the Companies Act, 1956, by way of an

Ordinary Resolution, to authorise the Board of Directors to borrow monies in excess of the paid-up capital and free reserves of the Company so however, that the total amount so borrowed shall not exceed at any point in time (excluding any interest on such borrowings) a sum equivalent to ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore Only) over and above the aggregate, for the time being, of the paid-up share capital and free reserves of the Company, other than borrowings which are to be excluded in computing such limits pursuant to the provisions of the said Section.

The Directors recommend the passing of this Resolution at Item No.6 as an Ordinary Resolution, for approval of Members.

None of the Director of the Company is, in any way, concerned or interested in the Resolution.

ITEM NO.7:

In terms of Share Purchase Agreement (SPA) and Share Subscription Agreement both dated 4th June, 2012, Cloverdell Investment Ltd is in the process of acquiring majority stake in the Company through preferential allotment, acquisition of stake from Promoters and from public shareholders under an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011. As envisaged in the SPA, it is now proposed to change the name of the Company from "Future Capital Holdings Limited" to "Capital First Limited".

Consequent to the approval of the changed name, necessary changes will be made in the Memorandum and Articles of the Company.

The Company has also received intimation from the Registrar of Companies, Maharashtra, Mumbai about availability of the proposed name.

The Directors recommend the passing of this Resolution at Item No.7 as a Special Resolution, for approval of Members.

None of the Director of the Company is, in any way, concerned or interested in the Resolution.

ITEM NO. 8:

The modes of service of documents on a Member of the Company have been provided under Section 53 of the Companies Act, 1956 and Article 200 of Articles of Association of the Company. The MCA has vide Circular No. 17/2011 dated 21st April, 2011 stated that a company would have complied with Section 53 if the service of a document has been made through electronic

NOTICE (CONTD.)

mode, provided the company has obtained e-mail addresses of its Members for sending Notices/Documents through e-mail by giving an advance opportunity to every Member to register their e-mail addresses with the company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a company to send soft copies of full Annual Reports, Balance Sheet, Statement of Profit & Loss and Directors' Report to all Members who have registered their e-mail addresses for the purpose.

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No. 27/2011 and 28/2011 dated 20th May, 2011 and Circular No.35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video Conference facility at the Shareholders Meetings optional to the listed companies.

The Securities and Exchange Board of India (SEBI) vide Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2012 made it mandatory for the listed companies to enable e-voting facility to their shareholders, in respect of those businesses which are transacted through postal ballot.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No.8 to give effect to the above Circulars of MCA and SEBI.

In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 2:00 p.m. and 5:00 p.m. on all working days (except Saturdays, Sundays and Public Holidays).

The Directors recommend the passing of this Resolution at Item No.8 as a Special Resolution, for approval of Members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

By Order of the Board of Directors

Sd/-

Chetan Gandhi

Head - Legal & Secretarial

Place : Mumbai

Date : 30th July, 2012

Registered Office:

Indiabulls Finance Centre, Tower - 2,
15th Floor, Senapati Bapat Marg,
Elphinstone (West),
Mumbai - 400 013.

GREEN INITIATIVE

REGARDING SERVICE OF DOCUMENTS TO SHAREHOLDERS BY E-MAIL

The Ministry of Corporate Affairs, New Delhi (“MCA”) has taken a “Green Initiative” in the Corporate Governance by permitting paperless compliances by companies (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011) and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s).

Keeping in view the underlying theme and the circulars issued by MCA, henceforth, we propose to send all communications / documents including the Notice calling the Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. via electronic mode. In connection with the same, we request you to provide your latest/updated email address on which future communication/correspondence/documents can be sent to you.

We are sure that you will welcome the Green Initiative taken by the MCA and your Company’s desire to participate in the same. Investors desirous to receive the aforesaid documents in electronic form, may send their request to the Company for the same by sending an email at [“futurecapitalgogreen@linkintime.co.in”](mailto:futurecapitalgogreen@linkintime.co.in). Alternatively, you may write to the Registrar & Transfer Agent of the Company. You will also have an option to change the mode of receipt of all communications / documents from electronic to physical form, at any time.

We trust, as a responsible citizen, you will join us in our initiative to conserve our environment through the curtailment of consumption of paper.

FUTURE CAPITAL HOLDINGS LIMITED

REGISTERED OFFICE: Indiabulls Finance Centre, Tower - 2, 15th Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013

ATTENDANCE SLIP

I hereby record my presence at the SEVENTH ANNUAL GENERAL MEETING of FUTURE CAPITAL HOLDINGS LIMITED held at the Mini Theatre, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025 on Tuesday, 25th September, 2012, at 3:00 p.m.

Full Name of the Member/Representative /Proxy:
(In block letters)

Registered Folio No.:	and/or	DP ID No./Client ID No.:
No. of Shares held:		No. of Shares held:

SIGNATURE OF THE SHAREHOLDER OR PROXY OR REPRESENTATIVE ATTENDING THE MEETING

If Shareholder/Representative, please sign here	If Proxy, please sign here

- NOTE:** 1. Members attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.
2. Members attending the Meeting are requested to bring their copies of the Annual Report with them.

FUTURE CAPITAL HOLDINGS LIMITED

REGISTERED OFFICE: Indiabulls Finance Centre, Tower - 2, 15th Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013

PROXY FORM

I/We _____ of _____ being a Member/

Members of FUTURE CAPITAL HOLDINGS LIMITED hereby appoint Mr./Mrs. _____ of

_____ or failing him, _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the SEVENTH ANNUAL GENERAL MEETING of the Company to be held at the Mini Theatre, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025 on Tuesday, 25th September, 2012, at 3:00 p.m. or at any adjournment thereof.

Signed this day of 2012

Affix
revenue
stamp

Signature across Revenue Stamp

Registered Folio No.:	and/or	DP ID No./Client ID No.:
No. of Shares held:		No. of Shares held:

- NOTE:** 1 This form of proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
- 2 A Proxy need not be a Member.

FUTURE CAPITAL HOLDINGS LIMITED

7th Annual Report 2011- 12



BUILT ON STRONG FOUNDATIONS

CONTENTS

02	Chairman's Letter
03	Message from the Vice Chairman and Managing Director
09	Financial Highlights
10	Corporate Information
11	Directors' Report
20	Management Discussion and Analysis
26	Report on Corporate Governance

Standalone Financial Statements

37	Auditors' Report
40	Balance Sheet
41	Statement of Profit & Loss
42	Cash Flow Statement
44	Notes to the Financial Statements

Consolidated Financial Statements

79	Auditors' Report
80	Balance Sheet
81	Statement of Profit & Loss
82	Cash Flow Statement
84	Notes to the Financial Statements



GIVE ME A PLACE TO STAND ON, AND I WILL MOVE THE EARTH.

Archimedes knew the truth a long time ago. A solid foundation and a long and strong lever is enough to move the earth.

Our services and solutions revolve around meeting the various financial needs of individuals and corporates viz. borrowing, protecting, investing and planning. We take great joy in meeting all key needs of our clients through their entire life cycle of financial needs.

But vision statements and business plans alone are not enough. They need solid foundations. We are proud that over the last few years we have built all necessary building blocks - strong systems, quality people, a learning culture, stable structure, laid-down processes, and above all, a passion to excel.

Our businesses including SME Loans, Durable Finance, Two-Wheeler Loans, Gold Loans, and Wealth Management are going good and have made a mark for themselves. Each business has strived in delivering exemplary performances in areas such as service delivery, service quality, revolutionary technology and innovation in the product suite. This has enabled our customers to make us their one-stop shop for accomplishing all their financial goals.

Over the past year, we have increased our retail presence to 197 branches reaching customers across the country through a dedicated team of 1200 employees.

With growth comes responsibility - responsibility of quality, responsibility of dependence and most importantly responsibility of prudence in all our businesses. Our credit delivery platform is contemporary and structured with checks and controls.

A key element in delivering quality services in today's environment is a robust IT platform with the latest technology. During the year, we have migrated to a more contemporary and robust platform that gives us the confidence to grow in the awareness that we are built on strong foundation.

With the strengths we have built over time, we also look forward to accelerated growth backed by our reach, our strong proposition, most importantly, a talented and dedicated team.

Like we learn from Archimedes in the legendary story, we can achieve a lot with a lever and a strong foundation.

