

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Fifth Annual Report of your Company with the audited statement of accounts for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

The highlights of the standalone financial results of the Company for the financial years 2009-10 and 2008-09 are as under:

| Particulars | (Rs. In million) | |
|--|------------------|---------------|
| | Standalone* | |
| | 2009-10 | 2008-09 |
| Total Income | 558.00 | 1358.00 |
| Total Expenditure | 350.00 | 1259.52 |
| Profit Before Tax | 208.00 | 98.48 |
| Provision For Tax (including Fringe Benefit Tax) | 34.82 | 5.39 |
| Profit After Tax | 173.18 | 93.08 |
| Profit brought forward from previous year / period | 146.73 | 72.26 |
| Less: Adjustment on account of liability in respect of employee benefits, if any | Nil | Nil |
| Profit available for appropriation | 319.91 | 165.34 |
| Appropriations: | | |
| Transfer to Reserve Fund under Section 45-IC of the RBI Act, 1934 | 34.64 | 18.61 |
| Proposed Dividend | 63.53 | Nil |
| Dividend Tax thereon | 10.80 | Nil |
| Balance carried forward to Balance Sheet | 210.94 | 146.73 |

* The Scheme of Amalgamation and Arrangement *inter alia* providing for transfer of credit business of the Company to Future Capital Financial Services Limited was given effect. Accordingly, the financial parameters of 2009-10 are not comparable with 2008-09.

STANDALONE PERFORMANCE

The standalone total income of the Company decreased 59% during the year. Total income in 2009-10 stood at Rs. 558 million, as compared to Rs. 1358 million in the previous year. The profit after tax showed an increase of 86% which was Rs. 173 million, as compared to Rs. 93 million in the previous year.

Of the above total income, income from Investment Advisory stood at Rs. 131 million and Treasury and Wholesale Credit stood at Rs. 422 million.

An amount of Rs. 35 million was transferred to Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

CONSOLIDATED PERFORMANCE

The highlights of the consolidated financial results of the Company for the financial years 2009-10 and 2008-09 are as under:

| Particulars | (Rs. In million) | |
|--|------------------|----------|
| | Consolidated | |
| | 2009-10 | 2008-09 |
| Total Income | 2,516.50 | 1,869.05 |
| Total Expenditure | 1,914.85 | 2,150.32 |
| Profit Before Tax | 601.65 | (281.27) |
| Provision For Tax (including Fringe Benefit Tax) | 9.00 | 39.84 |
| Profit After Tax | 592.65 | (321.11) |

The consolidated total income of the Company and its Subsidiaries increased by 35% during the year. Total income in 2009-10 stood at Rs. 2,517 million, as compared to Rs. 1,869 million in the previous year. The profit after tax was Rs. 593 million, as compared to loss of Rs. 321 million in the previous year.

DIVIDEND

Keeping in mind the overall performance and the outlook for your Company, the Directors are pleased to recommend a dividend of Re. 1/- (Rupee One Only) per share i.e. 10% on each Equity Share of Rs. 10/- (Rupees Ten Only). The dividend would be paid to all the shareholders, whose names appear on the Register of Members / Beneficial Holders list on the Book Closure date.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Management Discussion and Analysis of the financial condition and result of consolidated operations of the Company for the year under review, is annexed and forms an integral part of the Directors' Report.

SHARE CAPITAL

During the year under review, there is no change in the issued, subscribed and paid up capital of the Company and the same was Rs. 635.28 million as at the end of the financial year.

Subsequent to the year under review, the Company issued and allotted 50,000 (Fifty Thousand) Equity Shares of Rs. 10/- each, on exercise of Stock Options granted to an employee under FCH Employee Stock Option Scheme – 2008 and consequently, the issued, subscribed and paid-up capital has increased from Rs.635.28 million to Rs.635.78 million.

Directors' Report (Contd.)

SUBSIDIARIES

During the year under review, pursuant to the composite Scheme of Amalgamation and Arrangement (the "Scheme"), under the provisions of Section 391 to 394 of the Companies Act, 1956, sanctioned by Hon'ble High Court of Judicature at Bombay, Future Capital Credit Limited, a Wholly Owned Subsidiary of the Company and a Non Banking Finance Company registered with the Reserve Bank of India, amalgamated with Future Capital Financial Services Limited (FCFSL), another Wholly Owned Subsidiary of the Company and dissolved without being wound-up. Your Directors are pleased to inform that FCFSL is granted Certificate of Registration as a Non Banking Finance Company with effect from January 7, 2010, by the Reserve Bank of India. Considering the size of the assets of FCFSL, FCFSL is qualified as a Systemically Important – Non Deposit Accepting – Non Banking Finance Company under the Reserve Bank of India's Prudential Norms to Non Banking Finance Companies.

During the year under review, the Company and its Subsidiaries viz. Future Capital Investment Advisors Limited and Kshitij Investment Advisory Company Limited entered into appropriate agreements with Everstone Investment Advisors Private Limited, to realign their respective investment advisory activities with a view of having a focused and dedicated approach to the Investment Advisory Business. The realignment of the investment advisory activities of the Company and its certain Subsidiaries has been effective from January 1, 2010.

The Company has received the necessary approval from the Reserve Bank of India and is in the process of obtaining the approval(s) of the foreign regulator(s) for acquiring / setting up a foreign subsidiary, in order to make its foray into investment advisory business for overseas clients through such subsidiary.

In terms of the approval granted by the Ministry of Corporate Affairs (MCA) under Section 212(8) of the Companies Act, 1956, copy of the Balance sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the Subsidiaries of the Company have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any Member of the Company interested in obtaining the same. However, as directed by the MCA, the financial data of the Subsidiaries has been furnished under 'Details of Subsidiaries', forming part of the Audited Accounts. Further, pursuant to Accounting Standard (AS - 21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes financial information of its Subsidiaries.

FCH CentrumDirect Limited and FCH Centrum Wealth Managers Limited continue to be Joint Venture(s) of the Company.

SCHEME OF AMALGAMATION AND ARRANGEMENT

In March, 2009, your Directors had approved the carrying out of, a composite Scheme of Amalgamation and Arrangement (the "Scheme"), under the provisions of Section 391 to 394 of the Companies Act, 1956, *inter alia*, providing for:

- (i) Transfer of the credit business of the Company (both on account of Retail Credit and Wholesale Credit) to Future Capital Financial Services Limited, a Wholly Owned Subsidiary of the Company.
- (ii) Amalgamation of Future Capital Credit Limited, a Wholly Owned Subsidiary of the Company and a Non Banking Finance Company registered with the Reserve Bank of India, with Future Capital Financial Services Limited.

Pursuant to the directions of Hon'ble High Court of Judicature at Bombay, the Scheme was submitted for approval and was approved by the Members of the Company at the Court Convened Meeting held on June 15, 2009.

Your Directors are pleased to inform that having fulfilled all the prescribed conditions to make the Scheme effective, the Company and its Subsidiaries gave effect to the Scheme and the Scheme was made effective on February 1, 2010.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India.

RBI GUIDELINES

The Company has complied with the Regulations of the Reserve Bank of India as on March 31, 2010, as are applicable to it as a Systemically Important – Non Deposit Accepting – Non Banking Finance Company.

CAPITAL ADEQUACY

The Company's capital adequacy ratio was 28.97% as on March 31, 2010, which is significantly above the threshold limit of 12% as prescribed by the Reserve Bank of India.

CREDIT RATING

During the year under review, Credit Analysis & Research Ltd. (CARE) has assigned the "PR 1+" (pronounced "PR One Plus") Rating (Rating) in respect of the short term borrowing programme of Rs. 4000 million (Rupees Four Thousand Million Only) of the Company. The grade of Rating is the highest Rating issued by CARE for short term debt instruments and indicates strong capacity for timely payment of short term debt obligations and further indicates that the borrowing carries lowest credit risk. The short term borrowing programme of Rs. 4000 million (Rupees Four Thousand Million Only) has been further enhanced to Rs. 6000 million (Rupees Six Thousand Million Only).

RESOURCES AND LIQUIDITY

The Company has raised Rs. 6,000 million during the financial year 2009-10, by issuance of Commercial Paper and Rs. 1,000 million through Banks in the form of Term Loans, Cash Credit and Overdraft

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Facilities.

The Company's debt equity ratio as on March 31, 2010, stands at a level of 1.6:1.

DIRECTORS

On being appointed as the Vice Chairman of the Board of Directors with effect from October 29, 2009, Mr. Sameer Sain became the Vice Chairman & Managing Director. Subsequently, Mr. Sain resigned from the office of the Managing Director of the Company with effect from February 5, 2010. He continues to occupy the office of the Vice Chairman of the Company. In accordance with Sections 255 and 256 of the Companies Act, 1956, read with Article 146 of the Articles of Association of the Company, Mr. Sain, Vice Chairman, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Dhanpal Jhaveri resigned as the Executive Director and was also relieved from the responsibilities of the acting Chief Executive Officer of the Company with effect from April 6, 2010. The Directors place on record their appreciation for the guidance and inputs provided by Mr. Jhaveri during his association with the Company.

The Board on the recommendation of the Nomination Committee at its meeting held on April 6, 2010, appointed Mr. Krishan Kant Rathi as an Additional Director and designated him as a Manager within the meaning of the Companies Act, 1956. Pursuant to Section 260 of the Companies Act, 1956, Mr. Rathi holds office as a Director upto the date of the ensuing Annual General Meeting but is eligible to be appointed as a Director. Approval of Members is being sought at the ensuing Annual General Meeting.

Brief resumes of Mr. Sain and Mr. Rathi, nature of their expertise in specific functional areas and names of companies in which they hold directorship and/or membership/chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed and forms part of this Report (*Annexure 1*).

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 274(1)(g) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates

that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts for the financial year ending March 31, 2010, on a going concern basis.

GROUP

Pursuant to an intimation from the Promoter(s) and in accordance with Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (SEBI Regulations) identification of persons constituting "Group" (within the meaning and as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of the SEBI Regulations is annexed and forms part of this Report (*Annexure 2*).

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard (AS-21) on Consolidated Financial Statements read with Accounting Standard (AS-23) on Accounting for Investments in Associates and Accounting Standard (AS-27) on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in this Annual Report. These statements have been prepared on the basis of the financial statements received from Subsidiaries and Joint-Ventures, as approved by their respective Board of Directors.

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained a written confirmation from the Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General Meeting.

PARTICULARS OF EMPLOYEES, EMPLOYEES STOCK OPTION SCHEME AND EMPLOYEES STOCK PURCHASE SCHEME

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of certain employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the

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said Act, the Directors' Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company at its Registered Office.

The Members of the Company at the Fourth Annual General Meeting held on August 4, 2009, approved the FCH Employees Stock Option Scheme – 2009 (FCH ESOS – 2009) for the Company, its Holding and Subsidiary Companies. However, the Company has not granted any Options under the FCH ESOS – 2009.

The disclosure(s) as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, are annexed and forms part of this Report (Annexure 3).

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE INFLOW/OUTFLOW, ETC.

The requirements of disclosure with regard to Conservation of Energy in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company.

The Company's activities do not require any technology to be absorbed as mentioned in the aforesaid Rules. However the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The details of the earnings and outgo in Foreign Exchange during the year under review are provided as Note No. C15 of the Schedule 16 (Notes to Accounts) of the Balance Sheet as at March 31, 2010. The Members are requested to refer to the said Note for the details in this regard.

CORPORATE GOVERNANCE

Report on Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, forms part of the Annual Report.

A Certificate from the Auditors of the Company, M/s. S. R. Batliboi & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, also forms part of the Annual Report.

HUMAN RESOURCE MANAGEMENT

Skilled and motivated employees are one of the corner stones of our business. We focus on meeting the skill gap and providing skilled manpower wherever required. We ensure a favorable work environment for all our employees. Our recruitment and human resources management set up enables us to attract and retain employees.

ACKNOWLEDGEMENT

We are grateful to the Government of India, concerned regulatory authorities including the Reserve Bank of India, the Securities and Exchange Board of India, the Stock Exchanges and other regulatory authorities for their valuable guidance and support and wish to express our sincere appreciation for their continued co-operation and assistance. We look forward to their continued support in future.

We wish to thank our bankers, rating agencies, customers and all other business associates for their support and trust reposed in us.

Your Directors express their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication and professionalism has made the organisation's growth possible.

Finally, the Directors thank you for your continued trust and support.

On behalf of the Board of Directors

Kishore Biyani
Chairman

Mumbai, May 24, 2010

Annexure 1 to the Directors' Report

I) Mr. Sameer Sain

Mr. Sameer Sain has held the positions of Managing Director & Chief Executive Officer of the Company for around 2 years. He has been on the Board of the Company since April 15, 2006 and presently occupies the office of the Vice Chairman of the Company. Mr. Sain presently is the Co-Founder and Managing Partner of Everstone Capital, a firm specializing in Investment Advisory Business and Alternative Asset Management. Formerly, Mr. Sain spent eleven years at Goldman Sachs where he was the Managing Director within the Investment Management division. He was head of Institutional Wealth Management as well as the Special Investment Group (International) prior to which he managed public market portfolios investing globally and across asset classes.

Mr. Sain is a graduate in Commerce from University of Mumbai and has a Bachelors degree in Business Administration from the University of Massachusetts at Amherst. He also holds a Masters degree in Business Administration from the Cornell University.

The details of the directorship and/or membership/ chairmanship of committees of the Board of Mr. Sain (except private companies, Section 25 companies and foreign companies)

| Sr. No. | Name of the Company | Committee positions held | |
|---------|-------------------------|--------------------------|--------|
| | | Chairman | Member |
| 1 | VLCC Healthcare Limited | - | - |
| 2 | Centrum Capital Ltd. | - | - |

Mr. Sain holds 75,28,390 (11.85%) equity shares of the Company as on May 21, 2010.

II) Mr. Krishan Kant Rathi

Mr. Krishan Kant Rathi brings more than 24 years of experience in senior positions at some of India's respected business houses. Mr. Rathi has rich knowledge and competence in business expansions, joint ventures and divestment, financial

restructuring and fund raising (domestic and international), system driven operations, risk management and acquisitions.

Prior to joining the Company, Mr. Rathi was the Director of Motilal Oswal Private Equity Advisors Pvt. Ltd. As a Director, Mr. Rathi oversaw both investment as well as post investment monitoring of portfolio companies and execution of the overall private equity strategy.

He has earlier worked with KEC International Limited as the Controller – Corporate Finance for eight years and as the President (Finance) with H & R Johnson (India) Limited (a R. Raheja Group Company) for eight years. He was associated with Future Group between 2005-07 as the Group CFO.

Mr. Rathi is a first class Commerce graduate, a rank-holder Chartered Accountant from The Institute of Chartered Accountants of India and a qualified Company Secretary from The Institute of Company Secretaries of India.

The details of the directorship and/or membership/ chairmanship of committees of the Board of Mr. Rathi (except private companies, Section 25 companies and foreign companies).

| Sr. No. | Name of the Company | Committee positions held (excluding in Company) | |
|---------|--|---|--------|
| | | Chairman | Member |
| 1 | Future Generali India Life Insurance Company Limited | - | √ |
| 2 | Future Generali India Insurance Company Limited | - | √ |
| 3 | Myra Mall Management Company Limited | - | - |
| 4 | Future Capital Financial Services Limited | - | √ |
| 5 | Future Finance Limited | - | √ |

Mr. Rathi does not hold any shares in the Company.

Annexure 2 to the Directors' Report

Group:

List of persons constituting "Group" as required under Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, is as under:

- 1 Pantaloon Retail (India) Limited (Promoter)
- 2 Mr. Kishore Biyani (Promoter)
- 3 Mr. Sameer Sain (Promoter)
- 4 Pingaksh Realty Private Limited (Promoter Group)
- 5 Mr. Gopikishan Biyani
- 6 Mr. Laxminarayan Biyani
- 7 Mr. Vijay Biyani
- 8 Mr. Sunil Biyani
- 9 Mr. Anil Biyani
- 10 Mr. Rakesh Biyani
- 11 Ms. Ashni Biyani
- 12 Mr. Vivek Biyani
- 13 Future Corporate Resources Limited (*formerly known as PFH Entertainment Limited*)
- 14 Pantaloon Industries Limited
- 15 Varnish Trading Private Limited
- 16 Manz Retail Private Limited
- 17 Erudite Trading Private Limited
- 18 Chaste Investrade Private Limited
- 19 Future Value Retail Limited (*formerly known as Pantaloon Future Ventures Limited*)
- 20 Future Ventures India Limited
- 21 Future Realtors India Private Limited
- 22 Future Capital Investment Private Limited
- 23 Future Ideas Company Limited
- 24 Akar Estate & Finance Private Limited

Annexure 3 to the Directors' Report

Disclosures as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999.

(I) FCH EMPLOYEES SHARE PURCHASE SCHEME(S)

The Company has two Employees Share Purchase Schemes viz. FCH Employees Share Purchase Scheme - 2007 (FCH ESPS – 2007) and FCH Employees Share Purchase Scheme – 2008 (FCH ESPS – 2008). The disclosures below are in respect of the year ended March 31, 2010.

| | |
|---|---|
| Number of Equity Shares issued during the year | During the year, no equity shares were allotted to any employee under the FCH ESPS - 2007 & 2008. |
| Price at which Equity Shares were issued during the year | N.A. |
| Employee-wise details of Equity Shares issued during the year to: | |
| i) Directors and senior managerial employees | Nil |
| ii) any other employee who is issued Equity Shares in any one year amounting to 5% or more of Equity Shares issued during that year | Nil |
| iii) identified employees who are issued Equity Shares, during any one year equal to or exceeding 1% of the issued capital of our Company at the time of issuance | Nil |
| Diluted EPS pursuant to issuance of Equity Shares under ESPS during the year | N.A. |
| Consideration received against the issuance of Equity Shares | Nil |

(II) FCH EMPLOYEES STOCK OPTIONS SCHEME(S)

The Stock Options granted to the employees currently operate under two schemes viz. FCH Employees Stock Option Scheme - 2007 (FCH ESOS – 2007) and FCH Employees Stock Option Scheme – 2008 (FCH ESOS – 2008). The disclosures below are in respect of the year ended March 31, 2010.

| | |
|--|---|
| Options Granted during the year | The Company did not grant any Options during the year. |
| The pricing formula | N.A. |
| Options Vested | FCH ESOS – 2007 : 6,56,000 FCH ESOS – 2008 : 7,40,000 |
| Options Exercised | Nil |
| The total number of shares arising as a result of exercise of option | Nil |
| Options lapsed/ cancelled/ forfeited | FCH ESOS – 2007 : 3,44,000 FCH ESOS – 2008 : 2,08,500 |
| Variation of terms of options | No variation made in the terms of the Options granted under FCH ESOS – 2007 and FCH ESOS – 2008, except in respect of the Options in force. |
| Money realized by exercise of options | Nil |
| Total Number of options in force | FCH ESOS – 2007 : 6,56,000 FCH ESOS – 2008 : 7,40,000 |
| Employee wise details of options granted during the year to: | |
| i) Directors and senior managerial personnel | The Company did not grant any Options during the year. |

Annexure 3 to the Directors' Report (Contd.)

| | |
|--|--|
| ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year | |
| iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | |
| Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 ('Earning Per Share') | Diluted EPS calculated in accordance with AS 20 is Rs. 9.25 (Consolidated) and Rs. 2.70 (Standalone) for the FY 2009-10. |
| Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. | * Had the Company (Consolidated) followed the fair value method for accounting the Stock Options, compensation expense would have been higher by Rs. 49,170,457/- with consequent lower Consolidated profits. On account of the same the diluted EPS of the Company (Consolidated) would have been less by Rs. 8.48 per share. |
| Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | <p>Exercise Price</p> <p>FCH ESOS – 2007 : Rs. 178/-</p> <p>FCH ESOS – 2008 : Rs. 102/-</p> <p>Weighted Avg. Fair Value</p> <p>FCH ESOS – 2007 : Rs. 9.37/-</p> <p>FCH ESOS – 2008 : Rs. 63/-</p> |
| A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: | N.A. |
| <ul style="list-style-type: none"> i) risk-free interest rate ii) expected life iii) expected volatility iv) expected dividends and v) the price of the underlying shares in market at the time of option grant | |

*Note: Above figures are derived by considering the Options granted to the employees of the Company, its Holding company and its subsidiaries.

Management Discussion and Analysis

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. Readers are advised that this discussion may contain "Forward-Looking Statements" by Future Capital Holdings Limited (FCH) that is not historical in nature. These forward-looking statements, which may include statements relating to future results of operations, financial conditions, business prospects and projects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates and prognosis of your Directors and Management of FCH about the business, industry and markets in which your Company operates. These statements do not guarantee any future performance and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond FCH's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. Such statements are not and should not be construed as a representation of future performance or achievements of FCH nor be regarded as a projection of future performance of FCH. It should be noted that the actual performance or achievements of FCH may vary significantly from such statements and the Company takes no responsibility for any consequences of decisions made which are based on such statements and also holds no obligation to update these in the future. This report should be read in conjunction with the financial statements included herein and the notes thereto.

Economic Overview

Globally, India emerged as one of the fastest recovering economies after the slow down. Improved liquidity from stimulus packages led to faster and stable fiscal recovery. While the global markets remained volatile and risk averse as the European crisis spilled over soon after the default of debt payment by Dubai, the growth in India largely remained insulated from the ravages mainly due to fiscal stimulus and well regulated financial market.

The year began with cherished sentiments of political stability with the mandate going in favour of the Congress lead UPA coalition and on a closing note delivered higher than estimated Gross Domestic Product (GDP) growth rate at 7.4% for the financial year 2009-10. The revival of manufacturing sector was validated by the Index of Industrial Production (IIP) posting double digit growth at 10.4% for the year. Additionally, more-than-expected revenue coming in from the 3G and Wimax auction should now place government in an improved position to handle the fiscal deficit.

The inflationary conditions in India during the year were marked by two distinct phases. The inflation remained moderate/negative during the first half on account of high base of sharp increases in prices recorded a year ago. During the second half, inflationary pressures increased largely by the food inflation caused by the deficit monsoon. Inflation as measured by the Wholesale Price Index increased from a low of -1.0% in June, 2009 to 9.9% in March, 2010. Following the recovery in economic activity and increased inflationary concerns, the Reserve Bank of India (RBI) increased the key policy rates viz.

Cash Reserve Ratio, Repo Rate and Reverse Repo rates. These monetary measures were expected to contain inflation expectations while facilitating government borrowing and private sector credit requirements.

The announcement of RBI's intention to give additional banking license in the budget has opened a window for Non-Banking Finance Companies and other private sector players to become part of Indian banking system.

With these various positive developments and the hopes of normal monsoon, it may release the mounting price pressure and further brighten the domestic growth outlook.

India remains a bright spot

India is being viewed as a key contributor to a resurgent Asia fuelling overall demand in the context of riding out the global downturn. Current level of growth is registered on account of high domestic consumption-to-GDP which also makes India an attractive destination for internal and international investors. Rapid urbanization, favorable demography, increasing income levels added with progressive government measures will further unlock potential of domestic consumption.

Reduced tax burden in the current budget has further improved disposable income in individual hands thus increasing avenues for consumption, savings & investments.

Infrastructure investment in India is set to grow dramatically. Pent up investment demand and real estate demand are expected to provide support to domestic growth.

Credit growth has started picking up. Credit off-take rose 16.5% last fiscal to Rs.33.32 lakh crores in Financial Year 2009-10, beating the RBI's projection of 16%. Loan growth is expected to touch 20% in next fiscal with the rising economic activities.

Current state, of low Mortgage to GDP ratio, untapped non urban areas and under penetrated market offers immense potential for growth in the financial sector. Widening geographical coverage through strong network of multiple distribution channels will augment growth in Mutual Fund and Insurance Sector.

FCH is uniquely positioned to leverage Future group's widespread pan India presence, employ its talent to provide innovative capital solutions in the expanding credit space and also contribute by introducing new financial services products to cater to the ever increasing demands from the market place.

Business Review

It was the year of consolidation and growth for FCH. We witnessed signs of global recovery and gradual turn around in Indian economy. We tapped this opportunity by accelerating the lending activities, on both retail and wholesale side of business, combined with improved fund raising capabilities. The Credit Business recorded a book of Rs.13,936 million as compared to Rs.6,014 million in previous year.

Management Discussion and Analysis (Contd.)

The Company during the year consolidated its lending and distribution business to make it more efficient and enhance productivity. This consolidation will synergize both the businesses further and enable improved fund raising abilities.

The Company achieved the highest credit rating during the year for its short term borrowing program, thereby leading to substantial savings in interest costs. The Company was able to reduce the blended average cost of funds by 200 bps during the year.

Retail Financial Services (RFS)

Revenues from RFS, for this year end stood at Rs.1,074 million with a profit of Rs.191 million. The strategy to focus on appropriate product mix, enhanced efficiency in collections, along with improved risk management processes has helped this business to turn the corner. The Company has identified this as a natural growth avenue due to the large footprint it enjoys through its group affiliates.

Product offering in protection and credit widened through new tie ups with leading financial brands. With the help of new systems & technology along with Transunion, credit approvals became faster thereby reducing the disbursal lead time.

Our participation in retail portfolio buyouts on opportunistic basis has contributed significantly. Retail portfolio buyout book stood at Rs.3,640 million on the year end. We will continue to exploit such opportunities with strong first loss coverage from the originators.

Going forward the Company shall focus on leveraging group's retail footprint on one hand and earn higher risk adjusted returns through secured lending i.e., asset backed lending mainly into home equity and consumption loans.

Corporate Lending & Wholesale Credit (CLWC)

Manifold growth in the loan book of CLWC business has grossed revenues of Rs.660 million for the year. The loan book grew from Rs.1,663 million and stands at Rs.7,390 million on the year end.

The Company follows a conservative policy for lending with comfortable collateral cover and clearly identified take outs backed by strong cash flow streams. The strong due diligence & credit evaluation capabilities across asset classes enhances portfolio performance. High emphasis is levied on direct dealing with minimum intermediation.

Rising economic activities will increase the credit growth. Our strong in house capabilities and synergies with Future Group will give us a competitive edge in the industry.

Asset Management & Advisory

As investment advisors, assets close to 1 billion USD are under advise and are operated through two dedicated teams FCPE- Future Capital Private Equity and FCRE- Future Capital Real Estate, which primarily focused on growth capital and controlled / buyout opportunities in companies with a bias towards consumption led sector and real estate investments across three verticals retail, mixed use and logistics, respectively.

In the private equity the conditions continued to remain challenging. During the year there were no new investments made, however we worked closely with the individual investee companies to better manage resources, focus on execution and increase presence within the individual sectors. In the real estate advisory, we continue to focus our efforts on timely completion and commissioning of projects. During the year, Kshitij Venture Capital Fund launched a mall in Indore.

During the year an arrangement of re-alignment of its investment advisory activities was undertaken for better focus and cost savings. The realignment arrangement was effective beginning i.e. January 1, 2010 wherein advisory contracts from subsidiaries were outsourced to Everstone Investment Advisors Private Limited (EIAPL). Further to the realignment arrangement, the economic interest of FCH & its subsidiaries in the form of its share of revenues from management fee and performance fee is appropriately protected.

Trade Finance

Our foray into Trade Finance that was started in this calendar year focuses on end-to-end supply chain financing including suppliers credit, short tenor working capital loans, discounting of bills payable and purchase of receivables.

We provide a wide range of solutions to fulfill customer need through tailor made products. The business is in a nascent stage and we have narrowed our focus on inland transactions which are commercial in nature.

Given our existing due diligence & credit evaluation capabilities, we leverage our current advisory relationships to create appropriate opportunities to cross sell our products to a growing customer base. Also, we are uniquely positioned to enhance our client base by leveraging the Future Group eco-system giving us a competitive edge in the market place.

Consolidated Financial Performance

Uncertainty surrounding the global economic outlook and financial markets constituted the main theme for financial year 2009-10. The financial performance reflects the strength of the Company's ability to navigate through the challenging economic environment.

Significant developments during the financial year 2009-10 are:

- ❖ The Consolidated profit touched Rs.593 million from a loss of Rs.321 million in previous year
- ❖ The composite Scheme of Amalgamation and Arrangement was approved by the Hon'ble High Court of Judicature at Bombay whereby Credit Business Division of the Company was merged with Future Capital Financial Services Limited (FCFSL), wholly owned subsidiary of the Company.
- ❖ RBI has granted the Non-Banking Finance Company (NBFC) license to FCFSL.

Management Discussion and Analysis (Contd.)

- ❖ Achieved the highest short term rating of “PR1+” for Rs.6,000 million (enhanced by Rs.2000 million during Q4FY10) which gave us substantial savings of 200 bps reduction in interest cost. This rating was achieved on the back drop of strong management team, operational efficiency, liquidity profile, low leverage, synergy with Future Group and robust advisory income stream.
- ❖ ICRA has reaffirmed “LA” for fund based long term loan programme.
- ❖ Increased focus on secured lending vis-à-vis unsecured lending.
- ❖ Retail credit and distribution business achieved operating cash break even in March, 2010.
- ❖ Re-alignment of investment advisory business – Outsourcing of advisory services to EIAPL with effect from January 1, 2010, ensuring that the economic interest of FCH shareholders’ is fully protected.
- ❖ The Company declared its maiden dividend of 10%

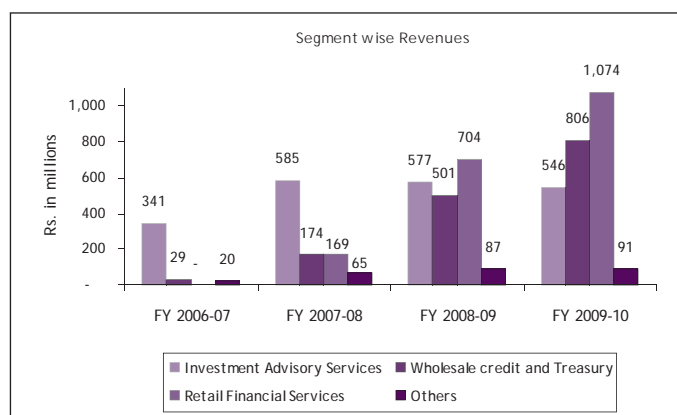
The following table presents our consolidated results of operations for the year ended March 31, 2010:

| | Year ended March 31, 2010 (Rs.in Million) | Year ended March 31, 2009 (Rs.in Million) |
|--|---|---|
| Income | 2,517 | 1,869 |
| Expenditure | 1,915 | 2,150 |
| Profit /(loss) before tax | 602 | (281) |
| Provision for income tax | 9 | 40 |
| Profit /(loss) after tax and minority interest | 593 | (321) |

INCOME

The table below presents a breakdown of our income for the year ended March 31, 2010:

| | Year ended March 31, 2010 (Rs.in Million) | Year ended March 31, 2009 (Rs.in Million) |
|---|---|---|
| Investment Advisory Fees | 546 | 577 |
| Income from Wholesale Credit and Treasury | 806 | 501 |
| Income from Retail Financial Services | 1,074 | 704 |
| Others | 91 | 87 |
| Total income | 2,517 | 1,869 |



Investment Advisory fees

We provide private equity and real estate Investment Advisory services to onshore and offshore clients. These Investment Advisory services include investment analysis, research and recommendations. For the year ended March 31, 2010 we earned investment & advisory fees of Rs.546 million. This includes a fee of Rs.100 million accrued during the last quarter towards the re-alignment of the Investment Advisory activities.

Income from Wholesale Credit & Treasury

The Wholesale Credit business taps a large and relatively unaddressed market of structured credit including mezzanine, promoter, project and acquisition financing, structured financing, retail portfolio buyouts, other special situations related financing and all other financing which is not directly related to retail consumers. The Treasury operations ensure liquidity for business and manage investment of surplus funds to optimize returns within the approved risk management framework. We recorded Wholesale Credit & Treasury income of Rs.806 million for the year ended March 31, 2010. This represents dividend income of Rs.24 million, interest on loans of Rs.537 million, interest on Inter Corporate Deposits (ICD) of Rs.25 million, profit from sale of investments of Rs.82 million, upfront fees of Rs.97 million, interest on investments Rs.15 million and income from Trade Finance business being Rs.26 million.

The overall increase in income is primarily due to increase in the loan book of the wholesale credit business to Rs.7,390 million as at March 31, 2010 from Rs.1,663 million at the beginning of the year.

Income from Retail Financial Services

The RFS offer consumer finance and distribution of financial services products. We currently have 26 Future Money outlets and distribution is done through ~ 150 Future Group outlets across India and employed 421 (including agency staff) personnel. During the year, we had disbursed a loan of Rs.6,600 million. For the year ended March 31, 2010, this business has generated income of Rs.1,074

Management Discussion and Analysis (Contd.)

million which comprises of: interest income of Rs.384 million and processing fees & other fees of Rs.229 million. The increase in income is due to an increase in loan book to Rs.6,546 million as at March 31, 2010 from Rs.4,351 million at the beginning of the year. The portfolio buyouts of Rs.3,640 million during the year contributed Rs.461 million to the income line.

Others

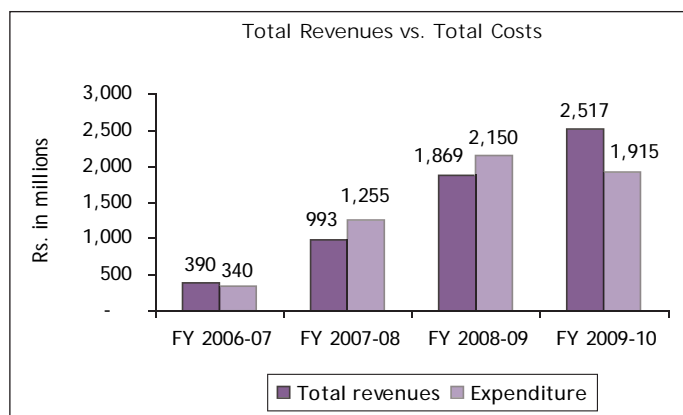
This income primarily consists of rental income we receive for the leasing of space in FCH House in Mumbai. In addition, this income includes income from car leases, interest and dividend income of subsidiaries. For the year ended March 31, 2010, we recorded income of Rs.91 million from the above activity.

Expenditure

We had incurred an expenditure of Rs.1,915 million for the year ended March 31, 2010. Our expenditure comprised mainly of personnel expenses, administration & other expenses and financial expenses. Financial expenses comprised 42% followed by Personnel expenses of 28%, Administration and other expenses of 23% and Depreciation/amortization of 7% of the total expenditure for the year ended March 31, 2010.

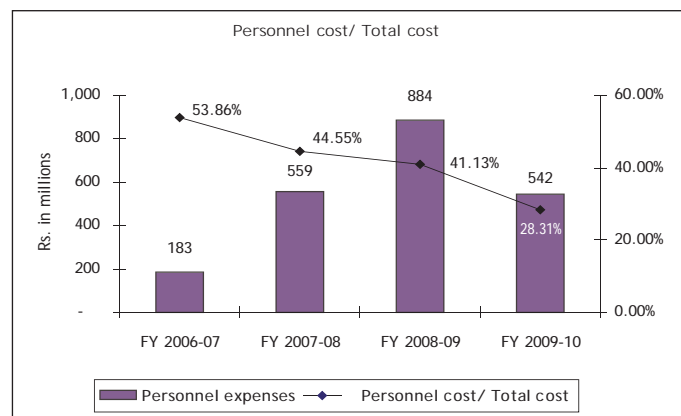
The table below presents a breakdown of our expenditure for the year ended March 31, 2010:

| | Year ended March 31, 2010 (Rs.in Million) | Year ended March 31, 2009 (Rs.in Million) |
|-----------------------------------|---|---|
| Personnel expenses | 542 | 884 |
| Administration and other expenses | 442 | 852 |
| Depreciation/ amortization | 123 | 67 |
| Financial expenses | 808 | 347 |
| Total expenditure | 1,915 | 2,150 |



Personnel expenses

We recorded personnel expenses of Rs.542 million for the year ended March 31, 2010. These expenses primarily included salaries, bonus and other allowances, which accounted for Rs.510 million or 94%, of total personnel expense. The decrease in personnel cost has been primarily due to cost cutting measures for restructuring of RFS business and realignment of Investment Advisory business.



Administration and other expenses

We recorded administration and other expenses of Rs.442 million for the year ended March 31, 2010. This comprised mainly of rent of Rs.84 million, rates and taxes Rs.8 million, advertisement and marketing expenses of Rs.6 million, communication expenses Rs.14 million, provisions & bad debts of Rs.77 million, travel expenses of Rs.18 million, legal and professional charges of Rs.84 million and miscellaneous expenses of Rs.44 million. The decrease in cost was mainly on account of restructuring of RFS business and realignment of Investment Advisory business.

Depreciation and amortization

We recorded depreciation and amortization of Rs.123 million for the year ended March 31, 2010. This included primarily depreciation of building, computers and printers, office equipments, furniture's and fixtures and leasehold improvements. The increase in depreciation is mainly on account of accelerated depreciation provided on assets pertaining to closed branches of RFS business.

Financial Expenses

We recorded financial expenses of Rs.808 million for the year ended March 31, 2010. The expense primarily pertains to the interest cost on funds borrowed for deployment in the credit business and for borrowings taken for purchase of FCH House. We achieved the highest short term rating of "PR1+" for Rs.6,000 million (enhanced by Rs.2000 million during Q4FY10) which gave us substantial saving of 200 bps reduction in interest cost. This rating was achieved on the back drop of strong management team, operational efficiency, liquidity profile, low leverage, synergy with Future Group and robust advisory income stream. The weighted average interest cost for the year ended March 31, 2010 was ~10.35%

Management Discussion and Analysis (Contd.)

Profit (loss) Before Tax

We had a profit before tax of Rs.602 million for the year ended March 31, 2010. The profit primarily reflects increased business in the credit division.

Net Profit after tax and Minority Interest

For the reasons discussed above, we had a net Profit of Rs.593 million for the year ended March 31, 2010.

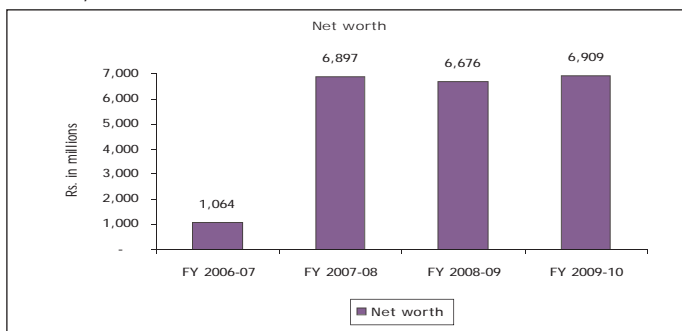
Financial Condition

Sources of Funds

| | As at March 31, 2010 (Rs.in Million) | As at March 31, 2009 (Rs.in Million) |
|---------------------|--|--|
| Shareholders' funds | 6,909 | 6,676 |
| Loan funds | 11,754 | 4,731 |
| Total | 18,663 | 11,407 |

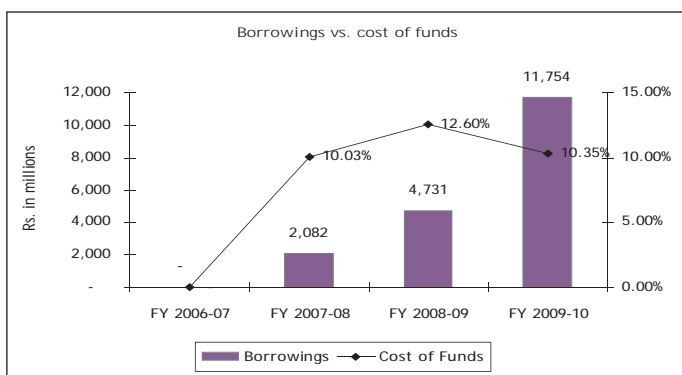
Shareholders' funds

As of March 31, 2010, our shareholders' funds amounted to Rs.6,909 million as compared to Rs.6,676 million as on March 31, 2009. The increase is mainly on account of profit earned in the current year.



Loan funds

The loan funds as on March 31, 2010 are Rs.11,754 million. The borrowings are for deployment in the Credit Business Division and for purchasing FCH House.



Application of funds

The following table sets forth the principal components of our assets, current liabilities and provisions as of March 31, 2010 and March 31, 2009:

| | Year ended March 31, 2010 (Rs.in Million) | Year ended March 31, 2009 (Rs.in Million) |
|--|---|---|
| Assets | | |
| Goodwill on consolidation | 85 | 85 |
| Fixed assets (net block, including capital work in progress) | 809 | 953 |
| Investments | 3,092 | 5,470 |
| Deferred tax assets | 93 | 12 |
| Sundry debtors | 398 | 148 |
| Cash and bank balances | 284 | 62 |
| Loans and advances | 14,962 | 5,421 |
| Other current assets | 90 | 100 |
| Total assets | 19,813 | 12,251 |
| Current liabilities and provisions | | |
| Current liabilities | 1,070 | 811 |
| Provisions | 80 | 33 |
| Total Current Liabilities and provisions | 1,150 | 844 |
| Net Assets | 18,663 | 11,407 |

Assets

Goodwill on Consolidation

The amount represents the goodwill paid in earlier years' in connection with investments made in subsidiaries which are strategic in nature and have long term benefits. During the period, we have not acquired any stakes in other companies and so the goodwill figures remain the same for the two periods.

Fixed Assets

We had a fixed asset balance of Rs.809 million as on March 31, 2010. This primarily includes building, furniture and fixtures, computers and printers, office equipments, and Leasehold improvements for the corporate office and various outlets of RFS business.

Investments

We had investments of Rs.3,092 million as on March 31, 2010. This primarily includes investments in mutual funds of Rs.1,985 million, investments in joint venture of Rs.1,000 million and other investment of Rs.107 million. The investment in mutual funds is to ensure optimum utilization of surplus money and give adequate returns along with safety and liquidity.

Management Discussion and Analysis (Contd.)

Sundry debtors

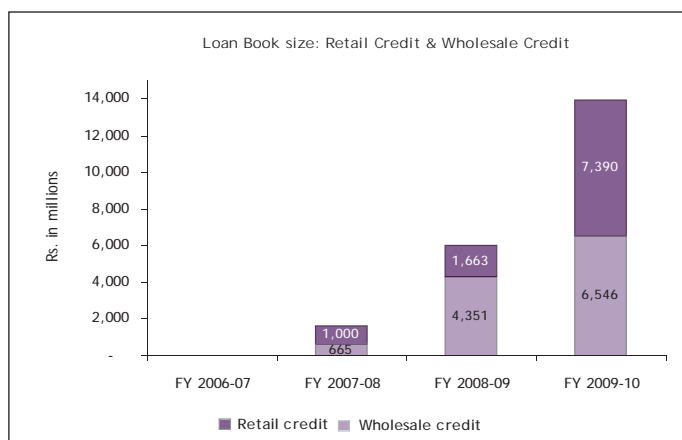
We had sundry debtors balance of Rs.398 million as on March 31, 2010. It primarily represents amount outstanding towards research and advisory services rendered to the onshore and offshore entities of Rs.147 million and dues in RFS business of Rs.246 million.

Cash and bank balances

We had cash and bank balance of Rs.284 million as on March 31, 2010. This primarily comprises of Rs.277 million representing current account balance. There has been increase in current account balance from previous year because of collection of monthly interest and installment on loan book at the year end. The amount in current account will be utilized for deployment in the business and for investment in mutual funds.

Loans and advances & other current assets

We had Rs.14,962 million of loans and advances as on March 31, 2010. It primarily includes loan book of Wholesale Credit of Rs.7,390 million, loan book of RFS of Rs.6,546 million, ICD's Rs.318 million, security deposits kept for office premises and retail financial outlets of Rs.22 million, leased assets of Rs.27 million; advance income tax & fringe benefit tax of Rs.238 million and advance recoverable of Rs.254 million. The other current asset represents unamortized loan origination cost of Rs.16 million, subvention income of Rs.1 million and interest accrued on ICD's Rs.73 million.



Current liabilities & Provisions

We had balance in Current liabilities of Rs.1,070 million as on March 31, 2010. This is primarily on account of sundry creditors of Rs.200 million, book overdraft of Rs.44 million, security deposits Rs.56 million, unamortized processing fees Rs.26 million, cash collaterals against retail portfolio buy outs Rs.713 million and other liabilities of Rs.18 million.

We had a balance in provisions of Rs.80 million as on March 31, 2010. This primarily represents provision for proposed dividend and dividend tax thereon, provision for gratuity and leave encashment.

Internal Control Systems

The Company has in place adequate systems of internal control which commensurate with its size and nature of operations. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported. The Company also has an appropriate budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company has appointed KPMG as our internal auditors and are empowered to examine the adequacy of and compliance with, policies, plans and statutory requirements. The internal audit function is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The Audit Committee and the Board of Directors review the internal audit reports as well as action taken on the matters reported.

RISK MANAGEMENT

Our risk management strategy is based on a robust process of risk evaluation, assessment and monitoring key metrics aided by appropriate risk mitigation plans.

The primary risks that the Company is exposed to are: Credit risk (Corporate & Retail lending), Market risk (Liquidity and Interest rate risk) and Operational risk. The Company's risk policies outline the products offered, customer and client categories, credit approval processes with limits and risk monitoring and reporting.

Risk management oversight is by the Board of Directors. A Risk Management Committee (RMC) reporting to the Board of Directors comprising senior management of the Company is constituted to facilitate focused oversight on risk. The RMC reviews risk policies from time to time to address strategy and portfolio/balance sheet risks arising from equity investments, credit, liquidity movements and interest rate movements.

The objective of credit risk management is to achieve a trade off between risk and return within the level of risk limits which the organization has set for itself and consistent with strategic objectives. This is achieved through adoption of appropriate standards of loan origination, administration, collateral management, loan delinquency and monitoring. The credit approval process takes into account all qualitative and quantitative factors that impact the credit/risk assessment.

For the CLWC business, an Investment Committee comprising the Chairman, Director & Manager and Head-Corporate Credit has been constituted which evaluates proposals on all aspects

Management Discussion and Analysis (Contd.)

including risk, return and portfolio strategy. Collateral levels are continuously monitored and updated to senior management to ensure that adequate security cover is maintained and business is in constant dialogue with the customer for prompt top ups.

For the RFS business, we have set up elaborate procedures and systems as well as invested in a strong IT backbone to assist in monitoring of the portfolio on a continuous basis. Detailed procedures and policies have been established for underwriting across various product categories based on the credit profile of the customer. This year we have revised and re-aligned credit policies pertaining to unsecured & secured lending to create quality asset book and also reviewed pricing to attract quality customers. Automated scoring model has been developed and introduced for consumption loan customers in this year for better credit quality. As per revised business plan, new book is being created aggressively with secured asset based lending, coupled with stringent underwriting standards.

The Asset Liability Management Committee (ALCO) specifies liquidity and interest rate risk limits, monitors adherence to them, articulates the organizations view on the direction of rates and determines an appropriate funding strategy. In addition to the above the RMC and the ALCO monitors compliance with regulatory policies and procedures.

Operational risks in the Company is managed through a comprehensive internal control framework comprising continuous assessment of risk controls, new product process approval framework, exposure monitoring and reporting and mitigation through process and control enhancement.

HUMAN CAPITAL

Your Company recognises the role of its people in its business. We have talented and experienced pool of professionals with more than 450 employees, across all the facets of financial services as on March 31, 2010.

Regular training and personal development programmes are integral and important part of our Human Resource Policy. The Company treats expenditure on Human Resource as a long-term strategic investment and believes that skilled and motivated employees are vital for success of our business. We believe programmes such as Employees Stock Options Scheme (ESOS) and Employee Stock Purchase Scheme (ESPS) foster a sense of ownership among employees and we will continue to implement the same. While ensuring that our people are adequately rewarded, the Company has also developed an employee friendly social environment among them.

Report on Corporate Governance

Introduction:

Clause 49 of the Listing Agreement executed with the Stock Exchange(s), *inter alia*, lays out several corporate governance related practices and requirements, which listed companies are required to adopt and follow. This Report sets out to define the governance practices followed by the Company in compliance with the said requirements of the Listing Agreement.

Philosophy on Corporate Governance:

The Corporate Governance philosophy of the Company is driven by the following fundamental principles:

- conduct the affairs of the Company in an ethical manner
- ensure transparency in all dealings
- ensure highest level of responsibility and accountability
- ensure compliance with all laws and regulations
- ensure timely dissemination of all price sensitive information and matters of interest to stakeholders

The Company, through effective dissemination of information to the Directors and active interaction of the Board Members with Senior Management ensures effective oversight of the Company's businesses and activities.

Through the Governance mechanism in the Company, the Board alongwith its Committees endeavours to strike the right balance with various stakeholders.

BOARD OF DIRECTORS ("Board")

The Board has been constituted in a manner, which results in an appropriate mix of Non-Executive and Independent Directors to ensure proper governance and management.

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "non business" risks.

The Directors at FCH possess the highest personal and professional ethics, integrity and values and are committed to represent the long-term interest of the stakeholders. The Company's business is conducted by its employees under the direction of the Managing

Director & Chief Executive Officer / Manager and the overall supervision of the Board.

The framework of FCH's Corporate Governance is based on active Independent Board Members, separation of Board from the Executive Management, Board's effective supervisory role and constitution of Board Committees for significant and material matters generally comprising majority of Independent Directors, chaired by an Independent Director and also having a blend of Executive Management Members to assist the Committees.

Compositions of the Board

The Board of Directors of the Company has an optimum combination of Promoter, Professional and Independent Directors. As at March 31, 2010, the Board of Directors of the Company consisted of two Promoter Directors, three Independent Directors and one Professional Director who also holds the office of the Manager within the meaning of the Companies Act, 1956.

On being appointed as the Vice Chairman of the Board of Directors with effect from October 29, 2009, Mr. Sameer Sain became the Vice Chairman & Managing Director. Subsequently, Mr. Sain resigned from the office of the Managing Director of the Company with effect from February 5, 2010. He continues to occupy the office of the Vice Chairman of the Board of Directors. Mr. Dhanpal Jhaveri resigned as the Executive Director and was also relieved from the responsibilities of the acting Chief Executive Officer of the Company with effect from April 6, 2010.

The Board on the recommendation of the Nomination Committee at its meeting held on April 6, 2010, appointed Mr. Rathi as an Additional Director and designated him as a Manager within the meaning of the Companies Act, 1956.

The Directors are elected based on their qualifications and experience in related fields of the Company's business needs.

None of the Directors hold directorship in more than fifteen public limited companies, nor is any of them a member of more than ten committees or chairman of more than five committees across all public limited companies in which they are Directors.

During the financial year 2009-10, five meetings of the Board of Directors were held on June 20, 2009, July 29, 2009, October 29, 2009, December 11, 2009 and January 27, 2010, with the time gap between any two consecutive meetings being not more than four months at any point of time.

Report on Corporate Governance (Contd.)

The details of the directorship and or membership / chairmanship of committees of the Board (except private companies, Section 25 companies and foreign companies held by Directors as on March 31, 2010, are given below:

| Name of Director | Category | Attendance Particulars | | | No. of Outside Directorships | No. of Committee positions held (including in Company) | |
|--------------------------|---|---|----------------|---------------------------|------------------------------|--|----------|
| | | Meetings held during tenure of Director | Board Meetings | Last AGM held on 04/08/09 | | Chairman | Member @ |
| Mr. Kishore Biyani | Non-Executive Chairman / Promoter Director | 5 | 3 | Yes | 13 | Nil | 5 |
| Mr. Sameer Sain | Non-Executive Vice Chairman / Promoter Director | 5 | 5 | Yes | 2 | Nil | 1 |
| Mr. Dhanpal Jhaveri** | Executive / Non-Independent Director | 5 | 5 | Yes | 4 | Nil | 1 |
| Mr. Krishan Kant Rathi ^ | Non-Executive / Non-Independent Director | Nil | Nil | - | 2 | Nil | 2 |
| Mr. G.N. Bajpai | Non-Executive / Independent Director | 5 | 5 | No | 13 | 4 | 9 |
| Mr. Shailesh Haribhakti | Non-Executive / Independent Director | 5 | 5 | Yes | 13 | 5 | 10 |
| Mr. Alok Oberoi | Non-Executive / Independent Director | 5 | 2* | No | Nil | Nil | Nil |

@ Member includes Chairman. Only membership of Audit Committee and Shareholder's / Investors' Grievances Committee is considered.

* Mr. Alok Oberoi's attendance is considered taking into account his physical presence at two meetings; otherwise Mr. Alok Oberoi has contributed in one other meeting through teleconference.

** Ceased to be a Director with effect from April 6, 2010.

^ Appointed as an Additional Director & Manager with effect from April 6, 2010.

COMMITTEES OF THE BOARD OF DIRECTORS:

The Board has constituted several committees and has delegated powers for different functional areas. The Audit Committee, Shareholders'/Investors' Grievance and Share Transfer Committee and Compensation and Nomination Committee (which is also the ESOS/ESPS/Remuneration Committee) have been constituted pursuant to and in accordance with the provisions of Listing Agreements entered into with the Stock Exchanges, rules & regulations prescribed by the Reserve Bank of India read with requirements of the Companies Act, 1956. The Board has also constituted other committees such as Asset Liability Management Committee (ALCO), Risk Management Committee (RMC) as per the requirements of the Reserve Bank of India applicable to the Company.

AUDIT COMMITTEE

Terms of Reference

In addition to the matters provided in Clause 49 of the Listing Agreement and requirements of Section 292A of the Companies Act, 1956 and the Reserve Bank of India, the Committee reviews the reports of the Internal Auditors, periodically meets Statutory Auditors of the Company and discusses their findings, observations, suggestions, scope of audit etc. and also reviews internal control systems and accounting policies followed by the Company. The Committee also reviews the financial statements with the management, before their submission to the Board.

The terms of reference of the Audit Committee of the Board of Directors of the Company, *inter alia* includes;

Report on Corporate Governance (Contd.)

- a. Overseeing the Company's financial reporting process and reviewing with the management, the financial statements before submission to the Board for approval;
- b. Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditors and fixing their fees;
- c. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- d. Such other matters as specified in Clause 49 of the Listing Agreement and requirements of Section 292A of the Companies Act, 1956 and the Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

Composition and Attendance of Meeting:

The Audit Committee comprises of three Members, with two of them being Independent Directors. All the Members of the Committee have good experience and knowledge of finance, accounts and company law with the Chairman being an eminent Chartered Accountant, who has accounting, company law and related financial management expertise. The Statutory Auditors, Internal Auditors and Senior Management are invited to attend the meetings of the Committee.

The quorum for the meeting of the Audit Committee is two Members being Independent Directors present at the meeting. The Company Secretary of the Company acts as a Secretary of the Committee.

In view of the appointment of Mr. Krishan Kant Rathi as the Director & Manager within the meaning of the Companies Act, 1956, the Committee was reconstituted by the Board on April 6, 2010. Mr. Kishore Biyani stepped down from the Committee and Mr. Rathi was appointed as a Member of the Committee. The Committee now consists of Mr. Shailesh Haribhakti (Chairman), Mr. G. N. Bajpai and Mr. Rathi.

The details of the composition, categories and attendance during the financial year are as under:

| Name | Category | Audit Committee meeting held on | | | |
|-------------------------|----------|---------------------------------|------------|------------|------------|
| | | 20.06.2009 | 29.07.2009 | 29.10.2009 | 27.01.2010 |
| Mr. Shailesh Haribhakti | Chairman | Present | Present | Present | Present |
| Mr. G. N. Bajpai | Member | Present | Present | Present | Present |
| Mr. Kishore Biyani | Member | Absent | Present | Present | Present |

The minutes of the Audit Committee meetings forms part of the documents placed before the meetings of the Board of Directors. In addition, the Chairman of the Audit Committee appraises the Board Members about the significant discussions at Audit Committee meetings.

COMPENSATION AND NOMINATION COMMITTEE (WHICH IS ALSO THE ESOS/ESPS/ REMUNERATION COMMITTEE)

Considering the composition and scope of reference of the erstwhile Compensation Committee (which was also the ESOS/ ESPS/ Remuneration Committee) and the Nomination Committee in terms of Circular No. DNBS.PD/CC 94/03.10.042/2006-07 dated May 8, 2007, issued by the Reserve Bank of India, the Board of Directors of the Company on April 6, 2010, merged both the aforesaid Committees and constituted a new Committee viz. 'The Compensation and Nomination Committee' which is also the ESOS/ ESPS / Remuneration Committee of the Board of Directors, to carry out the functions of both the Committees.

Terms of reference:

The terms of reference of the newly constituted Compensation and Nomination Committee, broadly include following:

- a. Considering all the matters as are required to be considered by the Remuneration Committee pursuant to the requirements of the Companies Act, 1956, including determining the Company's policy on specific remuneration packages for Executive Directors;
- b. Performing all such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c. Performing all such functions as are required to be performed by the Nomination Committee as per the requirements of the Reserve Bank of India;
- d. Such other matters as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings:

The erstwhile Compensation Committee consisted of three Members, all of whom were Non-Executive Independent Directors.

The details of the composition, categories and attendance during the financial year are as under:

| Name | Category | Compensation Committee meeting held on | | |
|-------------------------|----------|--|------------|------------|
| | | 20.06.2009 | 29.10.2009 | 11.12.2009 |
| Mr. G. N. Bajpai | Member | Present | Present | Present |
| Mr. Shailesh Haribhakti | Member | Present | Present | Present |
| Mr. Alok Oberoi | Member | Present | Present | Absent |

The minutes of the meetings of Compensation and Nomination Committee forms part of the documents placed before the meetings of the Board of Directors.

Report on Corporate Governance (Contd.)

Remuneration Policy:

The key components of the remuneration policy of the Company are:

- Compensation will be a major driver of performance and contribution.
- Compensation will be based on merit, experience and criticality of the function.
- Compensation will be competitive and benchmarked with a select group of companies from the financial services.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

i) Non-Executive Directors' Compensation

The Non-Executive Directors are not paid any remuneration except by way of sitting fees. The Company pays sitting fees of Rs.20,000/- per meeting to the Non-Executive Directors for attending meetings of the Board and/or its Committees. Further, in recognition

of the experience, expertise and responsibility of the Non-Executive Director(s), the Company has granted Stock Options to Mr. G. N. Bajpai and Mr. Shailesh Haribhakti, Non-Executive Directors under the Company's Employees Stock Option Scheme(s). No new Grants of Stock Options were made during the financial year under review.

ii) Executive Directors' Compensation

The compensation of the Executive Directors comprises of a fixed component and a performance incentive in the form of Bonus. The compensation was determined based on levels of responsibility, prior experience & remuneration and scales prevailing in the industry.

Remuneration and period of contract of the Manager

The Manager has been appointed for a period of five years effective from April 6, 2010 to April 5, 2015. The Manager is not entitled to any remuneration. The contract may be terminated by either party by giving the other party six months' notice. However, the Company is entitled to discontinue the services of the Manager at any time with six months notice period. There is no separate provision for payment of severance fees.

Details of Equity Shares & Stock Options held and remuneration of Directors for the year ended on March 31, 2010

(Amt. in Rs.)

| Name of Director | Equity Shares held | Stock Options held | Sitting Fees | Gross Remuneration | Commission | Total |
|-------------------------|--------------------|--------------------|--------------|--------------------|------------|----------------|
| Mr. Kishore Biyani | 37,73,795 | - | Rs. 120,000 | - | - | Rs. 120,000 |
| Mr. Sameer Sain ^ | 75,28,390 | - | - | Rs. 10,748,802 | - | Rs. 10,748,802 |
| Mr. Dhanpal Jhaveri ^ ^ | 3,00,000* | - | - | Rs. 11,268,501 | - | Rs. 11,268,501 |
| Mr. G. N. Bajpai | - | 50,000** | Rs. 240,000 | - | - | Rs. 240,000 |
| Mr. Shailesh Haribhakti | 10,949 | 50,000** | Rs. 320,000 | - | - | Rs. 320,000 |
| Mr. Alok Oberoi | 9,40,000 | - | Rs. 80,000 | - | - | Rs. 80,000 |

* Issued under FCH Employee Share Purchase Scheme - 2008.

** In aggregate under the FCH Employees Stock Option Scheme - 2007 and the FCH Employee Stock Option Scheme - 2008.

^ Resigned from the office of Managing Director with effect from February 5, 2010 and thereafter is a Non-Executive Vice Chairman.

^ ^ Resigned on April 6, 2010.

Report on Corporate Governance (Contd.)

SHAREHOLDERS' / INVESTORS' GRIEVANCES AND SHARE TRANSFER COMMITTEE

Terms of reference:

The terms of reference of the Shareholders' / Investors' Grievances and Share Transfer Committee *inter alia* include carrying out such functions for redressal of the shareholders' and investors' complaints, including but not limited to transfer of shares, non-receipt of balance sheet, non-receipt of dividends and any other grievance that a shareholder or investor of the Company may have against the Company. The Committee also overlooks and approves Transfer / Transmission / Dematerialisation of shares, issue of Duplicate / Consolidated / Split Share Certificate(s) etc.

The Company has appointed M/s. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) as the Registrar and Share Transfer Agent. The Shareholders' / Investors' Grievances and Share Transfer Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Composition:

The Shareholders' / Investors' Grievances and Share Transfer Committee comprises of Mr. G. N. Bajpai, Mr. Kishore Biyani and Mr. Sameer Sain. Mr. G. N. Bajpai is the Chairman of the Committee. Mr. Chetan Gandhi, Head – Legal & Secretarial, acts as a Secretary of the Committee and is also the Compliance Officer of the Company.

The minutes of the Shareholders' / Investors' Grievances and Share Transfer Committee meetings forms part of documents placed before the meetings of the Board of Directors.

After successful completion of the Initial Public Offer (IPO), the equity shares of the Company were listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Currently the Company has approximately 167,000 shareholders and during the year, the Company has not received any request for transfer of equity shares in the physical form.

At the beginning of the year, 12 complaints/correspondence were pending. During the year under review, the Company and M/s. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited), Registrar and Share Transfer Agent, received 88 complaints/correspondence (arising out of IPO). Out of the total complaints, 87 complaints were resolved / replied during the year and 13 Consumer Dispute Redressal Forum cases received during the year are "Subjudice", hence treated as pending.

GENERAL BODY MEETINGS:

During last three years, three Annual General Meetings i.e. second, third and fourth Annual General Meeting of the Company and a Court Convened Meeting of the equity shareholders were held. The details of the same and of the Special Resolutions passed thereat are as follows:

| General Meeting | Date, Time and Venue | Special Resolutions passed through Show of Hands |
|-------------------------------|--|---|
| Second Annual General Meeting | September 25, 2007, at 11.00 a.m. at FCH House, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. | <ul style="list-style-type: none"> a) Alteration of Main Object clause of the Memorandum of Association of the Company. b) Alteration of Articles of Association c) Appointment and Remuneration of Managing Director & Chief Executive Officer of the Company. d) Issue of 6,68,000 equity shares through Preferential Issue. e) Approval of FCH Employees Stock Options Scheme - 2007 (FCH ESOS - 2007). f) Approval of FCH Employees Stock Options Scheme - 2007 (FCH ESOS - 2007) - Holding and / or Subsidiary Company(ies). g) Issue of 64,22,800 equity shares through Initial Public Offer of the Company. h) Contribution to charitable and other funds. |

Report on Corporate Governance (Contd.)

| | | |
|---|---|---|
| Third Annual General Meeting | August 14, 2008, at 2.30 p.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Prabhadevi, Mumbai – 400 025 | <ul style="list-style-type: none"> a) Appointment and Remuneration of Mr. Dhanpal Javeri as a Whole-time Director of the Company Designated as 'Executive Director'. b) Approval of FCH Employees Stock Option Scheme - 2008 (FCH ESOS - 2008). c) Approval of FCH Employees Stock Option Scheme - 2008 (FCH ESOS - 2008) - Holding and/or Subsidiary Company(ies). d) Approval of FCH Employees Stock Purchase Scheme - 2008 (FCH ESOS - 2008) e) Approval of FCH Employees Stock Purchase Scheme - 2008 (FCH ESOS - 2008) - Holding and/or Subsidiary Company(ies) f) Approval to keep the Register of Members etc., at a place other than the Registered Office. |
| Court Convened Meeting of Equity Shareholders | June 15, 2009, at 3.00 p.m. at Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 023 | Resolution with the requisite majority prescribed under Section 391 of the Companies Act, 1956, for approving the composite Scheme of Amalgamation and Arrangement between the Company, Future Capital Financial Services Limited and Future Capital Credit Limited and their respective shareholders and creditors. |
| Fourth Annual General Meeting | August 4, 2009, at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Harigovinddas Building, 2nd Floor, 18/20, K. Dubash Marg, Kalaghoda, Fort, Mumbai – 400 001 | <ul style="list-style-type: none"> a) Special Resolution under Section 81(1A) of the Companies Act, 1956, for issue and allotment of equity shares through depository receipts in the course of one or more international or domestic public offerings and / private placement basis in domestic and / or one or more international market(s). b) Ratification of pre-IPO FCH Employee Stock Option Scheme – 2007 and modification thereof. c) Ratification of pre-IPO FCH Employee Stock Option Scheme – 2007, in respect of employees of Holding Company and / or Subsidiary Company(ies) and modification thereof. d) Modification of FCH Employees Stock Purchase Scheme – 2008. e) Modification of FCH Employees Stock Purchase Scheme – 2008, in respect of employees of Holding Company and / or Subsidiary Company(ies). f) Modification of FCH Employees Stock Options Scheme – 2008. g) Modification of FCH Employees Stock Options Scheme – 2008, in respect of employees of Holding Company and / or Subsidiary Company(ies). h) Approval for FCH Employees Stock Options Scheme – 2009. i) Approval for FCH Employees Stock Options Scheme – 2009, in respect of employees of Holding Company and / or Subsidiary Company(ies). |

No resolutions were passed through postal ballot during the last financial year.

DISCLOSURES:

i) Related Party Transactions

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company. The details of transactions between the Company and the related parties are given for information under **Note C7 of the Schedule 16** of the Balance Sheet as at March 31, 2010.

Report on Corporate Governance (Contd.)

ii) No Penalty or strictures

There has been no instance of non-compliance by the Company on any matter relating to the capital markets and accordingly no penalties have been levied or strictures have been passed by the Securities and Exchange Board of India or Stock Exchanges or any other statutory authority.

iii) Disclosure of accounting treatment

In the preparation of the financial statements, the Company has followed all the applicable Accounting Standards laid down by the Institute of Chartered Accountants of India.

iv) Disclosures on Risk Management

The Company has laid down procedures to inform the Members of the Board about the risk assessment and minimization procedures. A Risk Management Committee consisting of the Directors and the senior executives of the Company reviews these procedures to ensure that executive management controls risk through the means of a properly defined framework. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Audit Committee and the Board.

v) Proceeds from the Initial Public Offer of the Company

The details of the utilization of proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for purposes other than those stated in the Prospectus of the Company.

vi) CEO / CFO Certification

In accordance with Sub-Clause V of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a certificate from the Manager and the Chief Financial Officer was placed before the Board.

vii) Appointment / Re-appointment of Directors

The details in respect of the Director proposed to be re-appointed are provided in the Directors' Report.

ix) Management Discussion and Analysis

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

MEANS OF COMMUNICATION:

Quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement entered into with the Stock Exchanges and published in a prominent English daily news paper and in a regional language news paper. The quarterly / annual results are also uploaded on the website of the Company, www.fch.in, soon after their declaration.

GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:
 - Date and Time : Monday, August 9, 2010
 - Venue : Mini Theatre, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025
2. Tentative Financial Calendar : The financial year of the Company is from April 1 to March 31 of the following year.
 - First Quarter Results : Last week of July, 2010
 - Second Quarter Results : Last week of October, 2010
 - Third Quarter Results : Last week of January, 2010
 - Fourth Quarter Results : Mid / Last week of May, 2010
3. Date of Book Closure : July 31, 2010 to August 9, 2010 (Both days inclusive)
4. Dividend Payment Date (2009-10) : On or after August 9, 2010
5. Listing on Stock Exchanges: : Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor, Plot No.C/1,
G-Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
6. Listing fees : Listing fees of both the Stock Exchanges for the year 2009-10 have been paid.

Report on Corporate Governance (Contd.)

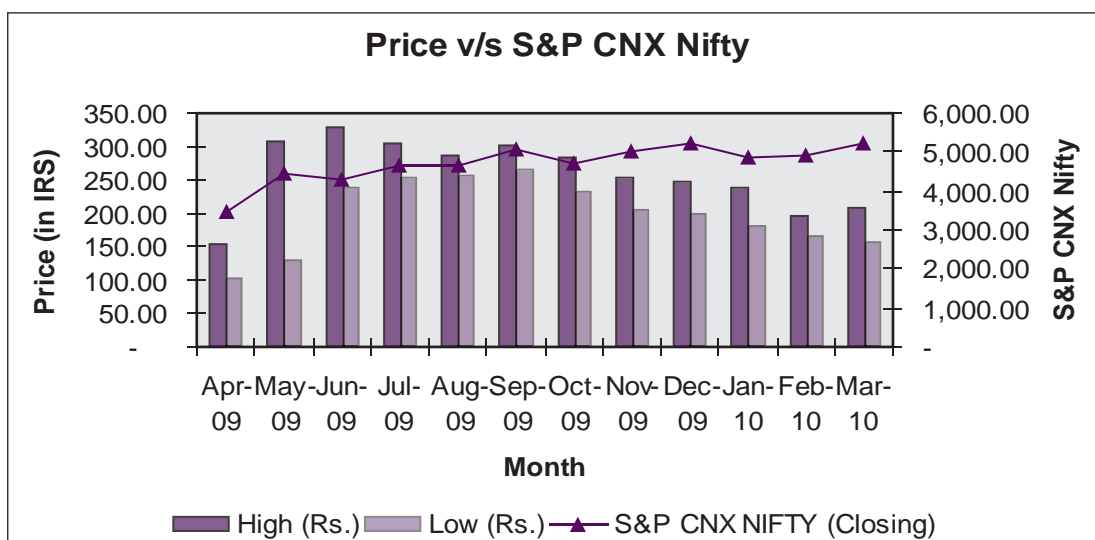
7. Stock Code

- BSE: 532938
- NSE: FCH
- International Securities Identification Number (ISIN) : INE688I01017

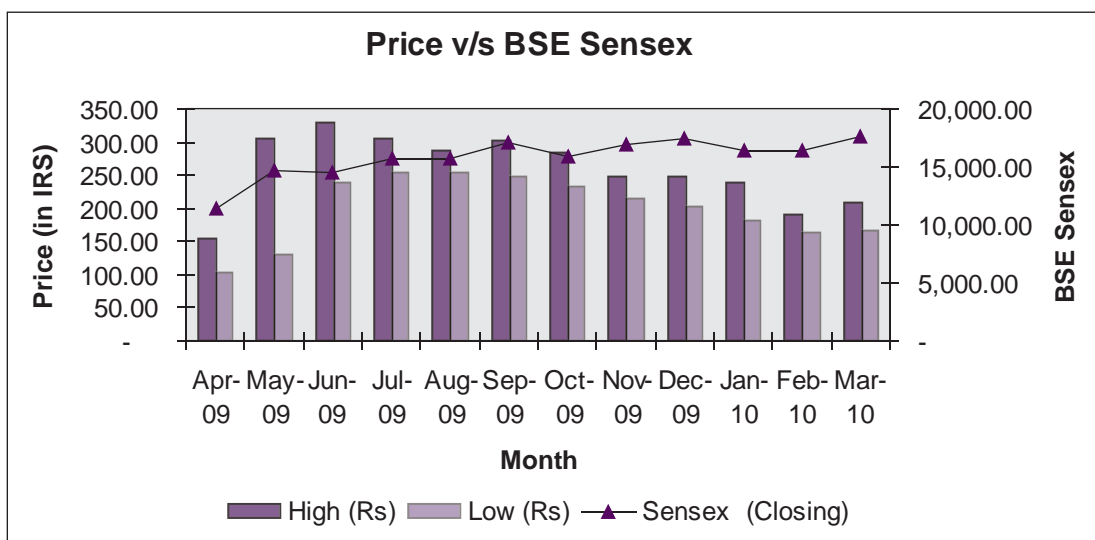
8. Market Price Data during the financial year ended March 31, 2010

| Month | BSE | | NSE | |
|-----------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| April, 2009 | 154.25 | 103.00 | 153.95 | 101.90 |
| May, 2009 | 305.70 | 129.90 | 307.10 | 129.70 |
| June, 2009 | 327.75 | 238.00 | 328.70 | 238.00 |
| July, 2009 | 305.00 | 254.00 | 305.00 | 253.05 |
| August, 2009 | 288.00 | 254.40 | 288.00 | 255.00 |
| September, 2009 | 302.00 | 248.80 | 301.70 | 264.50 |
| October, 2009 | 285.00 | 233.00 | 285.00 | 232.50 |
| November, 2009 | 248.00 | 213.25 | 253.70 | 206.00 |
| December, 2009 | 246.35 | 201.00 | 246.50 | 200.10 |
| January, 2010 | 238.90 | 180.25 | 238.90 | 180.00 |
| February, 2010 | 190.00 | 163.90 | 194.80 | 165.05 |
| March, 2010 | 208.25 | 165.00 | 208.10 | 158.00 |

Performance of share price in comparison with broad-based indices, viz. NSE Nifty & BSE Sensex:



Report on Corporate Governance (Contd.)



9. Distribution of Shareholdings as at March 31, 2010:

| Sr.No. | Shareholding of Nominal Value of | | Share Holders | | Share Amount | |
|--------|----------------------------------|----------|---------------|------------|--------------|------------|
| | Rs. | Rs. | Number | % to Total | In Rs. | % to Total |
| | (1) | (2) | (2) | (3) | (4) | (5) |
| 1 | Upto - | 5,000 | 1,65,320 | 99.39 | 2,89,43,200 | 4.56 |
| 2 | 5,001 - | 10,000 | 513 | 0.31 | 39,54,400 | 0.62 |
| 3 | 10,001 - | 20,000 | 207 | 0.12 | 30,04,480 | 0.47 |
| 4 | 20,001 - | 30,000 | 73 | 0.04 | 18,18,270 | 0.29 |
| 5 | 30,001 - | 40,000 | 33 | 0.02 | 11,64,940 | 0.18 |
| 6 | 40,001 - | 50,000 | 37 | 0.02 | 16,97,020 | 0.27 |
| 7 | 50,001 - | 1,00,000 | 62 | 0.04 | 48,12,500 | 0.76 |
| 8 | 1,00,001 and above | | 82 | 0.05 | 58,98,85,030 | 92.85 |
| | Total | | 1,66,327 | 100.00 | 63,52,79,840 | 100.00 |

10. Categories of Shareholdings as on March 31, 2010

| Category | No. of Shares | % |
|---|--------------------|---------------|
| Promoters & their relatives | 4,67,00,184 | 73.51 |
| Mutual Funds and UTI | 1,234 | 0.00 |
| Banks, Financial Institutions, Insurance Companies | 3,93,185 | 0.61 |
| Foreign Institutional Investors | 14,50,180 | 2.28 |
| Bodies Corporate | 26,56,008 | 4.18 |
| Indian Public | 68,67,091 | 10.81 |
| Non Resident Individuals/ Overseas Corporate Bodies | 50,62,053 | 7.97 |
| Others | 3,98,049 | 0.63 |
| Total | 6,35,27,984 | 100.00 |

Report on Corporate Governance (Contd.)

11. Registrar and Share Transfer Agents : M/s. Link Intime India Private Limited
(formerly known as Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.
Tel. No.: 022-25963838
Fax No.: 022-25672693
12. Dematerialisation of shares and liquidity: Equity Shares of the Company are under compulsory demat trading. As on March 31, 2010, a total of 62,047,782 equity shares aggregating to 97.67% of the total issued, subscribed and paid-up equity share capital of the Company, are in dematerialised form.
13. Outstanding GDRs / ADRs / Warrants or : NIL
any Convertible instruments
14. Plant Locations : Not Applicable
15. Address for correspondence : Registrar and Share Transfer Agent
M/s. Link Intime India Private Limited
(formerly known as Intime Spectrum Registry Limited)
Unit: Future Capital Holdings Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.
Tel. No.: 022-25963838
Fax No.: 022-25672693

Company
Mr. Chetan Gandhi
Head – Legal & Secretarial
Future Capital Holdings Limited
FCH House, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013
Tel. No.: 022-6642 3480;
Fax No.: 022- 6642 3401
16. Designated e-mail : fch.contactus@fch.in
17. Pursuant to the requirements of the Circular dated April 24, 2009, issued by the Securities and Exchange Board of India (“SEBI”) and in accordance with Clause 5A of the Listing Agreement, the aggregate Equity Shares which are unclaimed by the shareholders under the Initial Public Offer are 3080 as on March 31, 2010. The Company has opened a separate demat suspense account and has credited the said unclaimed Equity Shares in compliance with requirements of the said SEBI Circular/Clause 5A of the Listing Agreement.

Report on Corporate Governance (Contd.)

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The extent of compliance in respect of non-mandatory requirements is as follows:

i. Chairman of the Board

No separate office is maintained for the Non-Executive Chairman. The Company does not reimburse expenses incurred by him in performance of his duties.

No specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment by the Members.

ii. Remuneration Committee

Please refer to the details given under "Compensation and Nomination Committee".

iii. Shareholders' Rights

The equity shares of the Company are listed on the Stock Exchanges w.e.f. February 1, 2008. The Company has not yet commenced sending half yearly financial performance to each household of the shareholders.

iv. Audit Qualifications

There are no audit qualifications in the financial statements for the year 2009-10. Standard practices and procedures are in place to ensure unqualified financial statements.

v. Training of Board Members

The Directors interact with the management in a very free and open manner on information that may be required by them for orientation with the business of the Company.

vi. Mechanism for evaluating Non-executive Board Members

The evaluation process is yet to be formulated by the Board.

vii. Whistle Blower Policy

The Company has initiated steps to implement a Whistle Blower Policy.

Report on Corporate Governance (Contd.)

CODE OF CONDUCT

The Company has adopted the Code of Conduct and Ethics for Directors and Senior Management (Code). The Code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website, www.fch.in. The Board of Directors and Senior Management have affirmed their compliance with the Code and a declaration signed by the Manager of the Company is given below:

"In accordance with Sub-Clause I(D) of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, I confirm that the Members of the Board of Directors and the Senior Management personnel of the Future Capital Holdings Limited have affirmed compliance with the Company's Code of Conduct for the financial year 2009-10".

For **Future Capital Holdings Limited**

Krishan Kant Rathi
Director & Manager

Mumbai, May 24, 2010

Auditors Report

To

The Members of Future Capital Holdings Limited

1. We have audited the attached Balance Sheet of Future Capital Holdings Limited (the 'Company') as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with note A (2) of Schedule – 16 related to the accounting of the effects of the Composite Scheme of Amalgamation & Arrangements (the 'Scheme'), which has been done in accordance with the terms of the Schemes as approved by the High Court;
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E

Chartered Accountants

per Hemal Shah

Partner

Membership No.: 42650

Place : Mumbai

Date: May 24, 2010

Annexure to the Auditors Report

Re: Future Capital Holdings Limited ('the Company')

With reference to the Annexure referred to in Paragraph 3 of the report of the Auditor's to the members of Future Capital Holdings Limited for the year ended 31 March 2010, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) Pursuant to the composite Scheme of Amalgamation & Arrangement (the 'Scheme') involving the Company, Future Capital Financial Services Limited ('FCFSL'), Future Capital Credit Limited ('FCCL'), the Company has transferred the fixed assets pertaining to the Credit Business Division of the Company into FCFSL. In our opinion and according to the information and explanations given to us, the aforesaid transfer does not affect the going concern assumption.
- (ii) (a) The Company does not have any inventory. Hence, the provisions of Clause 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (iii) (a) The Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount (including interest thereon) involved during the year was Rs.16.31 Crores and the year-end balance of loans granted to such party was Rs.15 Crores.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken an unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 25.04 Crores and the year-end balance of the loan taken from such party was Rs. 25 Crores.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, certain transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time. In respect of certain other transactions, made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty have generally been regularly deposited with the appropriate authorities.

Annexure to the Auditors Report

Further, rules related to the amount of cess under Section 441A of the Act has not been notified by the Central Government of India up to the reporting date and accordingly, as at the reporting date there is no statutory due payable under section 441A of the Act.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|-------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax | 155,983,259 | A Y 2007-08 | Commissioner of Income Tax (Appeals) |

- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) As informed to us, the Company has not raised any money by way of public issues during the year. Hence, the provision of clause (xx) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E

Chartered Accountants

per Hemal Shah

Partner

Membership No.: 42650

Place : Mumbai

Date: May 24, 2010

Balance Sheet as at March 31, 2010

Amount in Rupees

| | Schedules | As at March 31, 2010 | As at March 31, 2009 |
|---|-----------|-------------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share capital | 1 | 635,279,840 | 635,279,840 |
| Reserves and surplus | 2 | 6,899,723,850 | 6,800,869,008 |
| | | 7,535,003,690 | 7,436,148,848 |
| Loan funds | | | |
| Secured loans | 3 | 1,052,949,942 | 3,305,482,845 |
| Unsecured loans | | 3,373,874,029 | 1,426,004,873 |
| | | 4,426,823,971 | 4,731,487,718 |
| Deferred tax liabilities (net) [Refer note C10 of Schedule 16] | | 1,728,028 | 1,721,196 |
| Total | | 11,963,555,689 | 12,169,357,762 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross block | 4 | 43,749,701 | 251,515,411 |
| Less: Accumulated depreciation/ amortisation | | 13,895,745 | 64,053,981 |
| Net Block | | 29,853,956 | 187,461,430 |
| Capital work-in-progress (including capital advances) | | - | 2,814,665 |
| | | 29,853,956 | 190,276,095 |
| Investments | | | |
| Current assets, loans and advances | 5 | 5,588,303,308 | 6,171,721,979 |
| Interest accrued on investments | | 10,353,990 | 2,895,120 |
| Sundry debtors | 6 | 22,403,433 | 99,379,259 |
| Cash and bank balances | 7 | 234,230,721 | 23,022,309 |
| Other current assets | 8 | 30,087,239 | 193,874,358 |
| Loans and advances | 9 | 6,352,760,694 | 6,145,192,361 |
| | (A) | 6,649,836,077 | 6,464,363,407 |
| Less: Current liabilities and provisions | 10 | | |
| Current liabilities | | 228,794,921 | 635,627,143 |
| Provisions | | 75,642,732 | 21,376,576 |
| | (B) | 304,437,653 | 657,003,719 |
| Net current assets | (A-B) | 6,345,398,424 | 5,807,359,688 |
| Total | | 11,963,555,689 | 12,169,357,762 |
| Notes to Accounts | 16 | | |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For S.R. Batliboi & Co.

Firm Registration No. 301003E

Chartered Accountants

per Hemal Shah

Partner

Membership No. 42650

For and on behalf of the Board of

Directors of Future Capital Holdings Limited

Kishore Biyani

Chairman

Shailesh Haribhakti

Director

Krishan Kant Rathi

Director & Manager

N. Shridhar

Chief Financial Officer

Chetan Gandhi

Head - Legal & Secretarial

Place: Mumbai

Date: May 24, 2010

Place: Mumbai

Date: May 24, 2010

Profit and Loss Account for the year ended March 31, 2010

Amount in Rupees

| | Schedules | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|-----------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Income from operations | 11 | 553,783,595 | 1,306,771,347 |
| Other income | 12 | 4,122,990 | 51,227,781 |
| Total | | 557,906,585 | 1,357,999,128 |
| EXPENDITURE | | | |
| Personnel expenses | 13 | 136,897,217 | 297,180,088 |
| Administration and other expenses | 14 | 120,494,960 | 648,883,551 |
| Depreciation/ amortisation | 4 | 4,864,967 | 47,901,690 |
| Financial expenses | 15 | 87,649,202 | 265,550,951 |
| Total | | 349,906,346 | 1,259,516,280 |
| Profit before tax | | 208,000,239 | 98,482,848 |
| Provision for tax: | | | |
| Current tax | | 34,814,000 | - |
| Deferred tax | | 6,832 | 1,721,196 |
| Fringe benefit tax | | - | 3,675,329 |
| | | 34,820,832 | 5,396,525 |
| Profit after tax | | 173,179,407 | 93,086,323 |
| Balance brought forward from previous year | | 146,725,649 | 72,256,591 |
| Profit available for appropriation | | 319,905,056 | 165,342,914 |
| Transfer to reserve under section 45 (1C) of the Reserve Bank of India ('RBI') Act, 1934 | | 34,635,881 | 18,617,265 |
| Proposed dividend | | 63,527,984 | - |
| Dividend tax thereon | | 10,796,581 | - |
| Balance carried to Balance Sheet | | 210,944,610 | 146,725,649 |
| Earnings per share: (Refer note C9 of Schedule 16) | | | |
| -Basic | | 2.73 | 1.47 |
| -Diluted | | 2.70 | 1.46 |
| Notes to Accounts | 16 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. Batliboi & Co.

Firm Registration No. 301003E

Chartered Accountants

per Hemal Shah

Partner

Membership No. 42650

For and on behalf of the Board of

Directors of Future Capital Holdings Limited

Kishore Biyani

Chairman

Shailesh Haribhakti

Director

Krishan Kant Rathi

Director & Manager

N. Shridhar

Chief Financial Officer

Chetan Gandhi

Head - Legal & Secretarial

Place: Mumbai

Date: May 24, 2010

Place: Mumbai

Date: May 24, 2010

Cash Flow Statement for the year ended March 31, 2010

Amount in Rupees

| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|--------------------------------------|--------------------------------------|
| A. Cash Flow From Operating Activities | | |
| Profit Before Tax | 208,000,239 | 98,482,848 |
| Adjustments for : | | |
| Depreciation/ amortisation | 4,864,967 | 47,901,690 |
| Loss/ (Profit) on sale on fixed assets | - | 3,261,840 |
| Write back of provision | - | (31,601,140) |
| Provision for Gratuity | (2,192,432) | 2,141,965 |
| Provision for Leave encashment | (1,365,977) | 865,654 |
| Bad debts | - | 149,559,403 |
| Provision for doubtful debts and advances | - | 17,210,415 |
| Unrealised foreign exchange gain | 763,840 | 937,500 |
| | 2,070,398 | 190,277,327 |
| Operating Profit Before Working Capital Changes | 210,070,637 | 288,760,175 |
| Adjustment for changes in working capital: | | |
| (Increase)/ Decrease in Sundry Debtors | 1,962,191 | 34,198,748 |
| (Increase)/ Decrease in Loans and Advances | (4,356,028,793) | (3,763,980,399) |
| (Increase)/ Decrease in Other Current Assets | (400,545) | (113,962,194) |
| Increase/ (Decrease) in Current Liabilities | 149,821,803 | (160,647,982) |
| Cash generated from operations | (3,994,574,707) | (3,715,631,652) |
| Taxes Paid/ tax deducted at source (including fringe benefit tax) | (38,919,706) | (97,146,980) |
| Net Cash used in Operating Activities (A) | (4,033,494,413) | (3,812,778,632) |
| B. Cash Flow From Investing Activities | | |
| Purchase of Fixed Assets (including capital advances) | (318,680) | (81,233,212) |
| Sale proceeds from fixed assets | - | 2,147,584 |
| Purchase of investments | (19,034,607,259) | (16,277,806,401) |
| Sale proceeds from investments | 18,761,628,481 | 16,111,982,232 |
| Net Cash used in Investing Activities (B) | (273,297,458) | (244,909,797) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of Equity Share Capital | - | 3,000,000 |
| Proceeds from Securities Premium on issue of Equity Share Capital | - | 109,635,000 |
| Payment of share issue expenses | - | (4,907,892) |
| Proceeds from long term borrowings | - | 2,200,171,233 |
| Repayment of long term borrowings | (166,666,668) | (41,666,667) |
| Proceeds from short term borrowings | 3,488,179,027 | 4,806,176,106 |
| Repayment of short term borrowings | - | (3,233,192,954) |
| Net Cash From Financing Activities (C) | 3,321,512,359 | 3,839,214,826 |
| Net increase in Cash and Cash Equivalents during the year (A+B+C) | (985,279,512) | (218,473,603) |
| Cash and Cash equivalents at beginning of the year | 3,047,182,236 | 3,265,655,839 |
| Less: Transferred to Credit Business Division (refer Note A2 of Scheule 16) | 6,724,503 | - |
| | 3,040,457,733 | 3,265,655,839 |
| Cash and Cash equivalents at the end of the year | 2,055,178,221 | 3,047,182,236 |

Cash Flow Statement for the year ended March 31, 2010

| | Amount in Rupees | |
|--|-------------------------|-------------------------|
| | As at March 31, 2010 | As at March 31, 2009 |
| Cash and Cash equivalents comprises of : | | |
| Cheques on hand | - | 1,205,170 |
| Cash in Hand | 39,134 | 3,914,019 |
| Balance with Banks* | 231,879,966 | 15,436,194 |
| Short term investments in liquid schemes of mutual funds | 1,823,259,121 | 3,026,626,853 |
| Total | 2,055,178,221 | 3,047,182,236 |

*Excludes balance of Rs. 2,311,621 (Previous year : Rs. 2,466,926) with a bank for which refund instruments have been issued to the investors but yet to be encashed by the investors.

Notes:

1. Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.
2. During the year, the Company transferred net assets of Rs. 1,629,972,781 to Future Capital Financial Services Limited pursuant to the scheme of demerger in non cash transaction. (See detailed Note A2 of Schedule 16)

As per our report of even date

For S.R. Batliboi & Co.

Firm Registration No. 301003E
Chartered Accountants

per Hemal Shah

Partner
Membership No. 42650

**For and on behalf of the Board of
Directors of Future Capital Holdings Limited**

Kishore Biyani
Chairman

Shailesh Haribhakti
Director

Krishan Kant Rathi
Director & Manager

N. Shridhar
Chief Financial Officer

Chetan Gandhi
Head - Legal & Secretarial

Place: Mumbai
Date: May 24, 2010

Place: Mumbai
Date: May 24, 2010

Schedules forming part of the Balance Sheet

| | Amount in Rupees | |
|---|-------------------------|-------------------------|
| | As at March 31, 2010 | As at March 31, 2009 |
| Schedule 1 : Share Capital | | |
| Authorised | | |
| 75,000,000 (Previous year: 75,000,000) equity Shares of Rs. 10/- each | 750,000,000 | 750,000,000 |
| | 750,000,000 | 750,000,000 |
| Issued, Subscribed & Paid-up | | |
| 63,527,984 (Previous year: 63,527,984) equity shares of Rs.10/- each fully paid up. [Out of the above, 34,779,999 (Previous year: 34,779,999) equity shares are held by Pantaloon Retail (India) Limited, the Holding Company]. (For stock options outstanding details refer note C5 of Schedule 16) | 635,279,840 | 635,279,840 |
| Total | 635,279,840 | 635,279,840 |
| Schedule 2 : Reserves and surplus | | |
| Reserve under Section 45 (1C) of the RBI Act | | |
| Balance as last Balance Sheet | 36,707,464 | 18,090,199 |
| Add : Transferred from profit and loss account | 34,635,881 | 18,617,265 |
| | 71,343,345 | 36,707,464 |
| Securities Premium Account | | |
| Balance as per last Balance Sheet | 6,617,435,895 | 6,518,341,468 |
| Add : Received during the year | - | 109,635,000 |
| Less : Share issue expenses | - | (10,540,573) |
| | 6,617,435,895 | 6,617,435,895 |
| Profit and Loss Account | | |
| Balance carried from profit and loss account | 210,944,610 | 146,725,649 |
| Total | 6,899,723,850 | 6,800,869,008 |

Schedules forming part of the Balance Sheet

Amount in Rupees

| | As at March 31, 2010 | As at March 31, 2009 |
|--|----------------------------|-------------------------|
| Schedule 3 : Loan Funds (Refer note A2 of Schedule 16) | | |
| A. Secured Loans | | |
| Cash Credit/ Overdraft from banks | 761,283,277 | 646,978,279 |
| - Cash credit of Rs. 511,348,003 (Previous year: Rs. Nil) is secured by way of first pari passu charge on receivables, book debts and movable assets of the Company. | | |
| - Cash credit of Rs. 250,000,000 (Previous year: Rs. 500,171,233) is secured by way of first charge on receivables, book debts and movable assets of the Company and further secured by collateral of first pari passu charge on immovable property owned by a subsidiary company. | | |
| - Overdraft of Rs. Nil (Previous year: Rs. 146,807,046) is secured by pledge of mutual fund units. [Includes interest accrued and due Rs. 180,000 (Previous year: Rs. 171,233)]. [Repayable within one year Rs. 761,283,277 (Previous year: Rs. 646,978,279)] | | |
| Term Loans from banks | 291,666,665 | 2,658,504,566 |
| - Term loans of Rs. 291,666,665 (Previous year: Rs. 958,333,333) is secured by way of first pari passu charge on receivables of the Company and further secured by collateral security of immovable property owned by the subsidiary company and corporate guarantee of the subsidiary company to the extent of the realisable value of the collateral security. | | |
| - Term loan of Rs. Nil (Previous year: Rs. 500,000,000) is secured by way of first charge on receivables/ book debts of the Company and further secured by way of collateral security of immovable property owned by the subsidiary company and corporate guarantee of the subsidiary company to the extent of the realisable value of the collateral security. | | |
| - Term loan of Rs. Rs. Nil (Previous year: Rs. 1,200,000,000) is secured by way of hypothecation of underlying assets financed by the Company and receivables on first pari passu basis. [Includes interest accrued and due Rs. Nil (Previous year: Rs. 171,233)] [Repayable within one year Rs. 166,666,665 (Previous year: Rs. 494,444,444)] | | |
| (A) | 1,052,949,942 | 3,305,482,845 |
| B. Unsecured Loans | | |
| Short term loans | | |
| Commercial Paper | 3,123,874,029 | 1,426,004,873 |
| [Repayable within one year Rs. 3,123,874,029 (Previous year: Rs.1,426,004,873)] Maximum amount outstanding Rs. 3,250,000,000 (Previous year Rs. 1,500,000,000) | | |
| Non convertible debenture taken | - | - |
| Inter corporate deposits taken | 250,000,000 | - |
| [Repayable on demand Rs. 250,000,000 (Previous year: Rs. Nil)] Maximum amount outstanding Rs. 250,000,000 (Previous year: Rs. Nil)] | | |
| (B) | 3,373,874,029 | 1,426,004,873 |
| Total | (A+B) 4,426,823,971 | 4,731,487,718 |

Schedules forming part of the Balance Sheet

Schedule 4 : Fixed Assets

(Refer note A2 of Schedule 16)

| Description | Gross Block | | | | Depreciation/ amortisation | | | Net Block | |
|---------------------------------------|-----------------------------|---------------------------|--|------------------------------|-----------------------------|-------------------|------------------------------|------------------------------|------------------------------|
| | Balance as on April 1, 2009 | Additions during the year | Deletion/ Adjustments during the year* | Balance as on March 31, 2010 | Balance as on April 1, 2009 | For the year | Adjustments during the year* | Balance as on March 31, 2010 | Balance as on March 31, 2009 |
| Intangible Assets | | | | | | | | | |
| Domain Names and Trade Names (Note 1) | 1,120,042 | - | 787,306 | 332,736 | 405,565 | 44,859 | 119,021 | 1,333 | 714,477 |
| Data Processing Software | 16,551,277 | - | 16,551,277 | - | 4,524,623 | - | 4,524,623 | - | 12,026,654 |
| Tangible Assets | | | | | | | | | |
| Computers and Printers | 72,874,961 | - | 62,097,254 | 10,777,707 | 17,852,755 | 1,735,848 | 14,966,340 | 6,155,444 | 55,022,206 |
| Office Equipment | 22,775,807 | 204,380 | 17,892,216 | 5,087,971 | 2,725,005 | 246,745 | 2,191,127 | 4,307,348 | 20,050,802 |
| Furnitures & Fixtures | 36,956,514 | 114,300 | 22,387,165 | 14,683,649 | 11,198,083 | 995,230 | 9,199,340 | 11,689,676 | 25,758,431 |
| Electrical Installation | 4,049,730 | - | - | 4,049,730 | 397,886 | 208,699 | - | 3,443,145 | 3,651,844 |
| Air Conditioners | 13,639,256 | - | 11,948,220 | 1,691,036 | 1,417,749 | 87,146 | 1,253,626 | 1,439,767 | 12,221,508 |
| Leasehold Improvements | 83,547,824 | - | 76,420,952 | 7,126,872 | 25,532,315 | 1,546,440 | 22,769,126 | 4,309,629 | 58,015,509 |
| Total | 251,515,411 | 318,680 | 208,084,390 | 43,749,701 | 64,053,981 | 4,864,967 | 55,023,203 | 13,895,745 | 187,461,430 |
| Previous year | 164,849,198 | 93,008,395 | 6,342,182 | 251,515,411 | 17,087,845 | 47,901,690 | 935,554 | 64,053,981 | 187,461,430 |

Notes:

- The Company has applied for registration of trademark and is awaiting the registration.
- Assets co-owned with other subsidiary includes gross block Rs. 15,357,178 (Previous year: Rs. 15,285,425), accumulated depreciation Rs. 4,974,444 (Previous year: Rs. 3,355,281) and net block Rs. 10,382,734 (Previous year: Rs. 11,930,144).
- Assets aggregating gross block Rs. 32,639,258, accumulated depreciation Rs. 8,942,079 and net block Rs. 23,697,179 are in the possession and use by Everstone Investment Advisors Private Limited ('EIAPL')

* Adjustments represents assets pertaining to Future Money Division transferred to Future Capital Financial Services Limited pursuant to the composite Scheme of Amalgamation and Arrangement. Refer note A2 of Schedule 16.

Schedules forming part of the Balance Sheet

| | Quantity# | As at March 31, 2010 | As at March 31, 2009 |
|---|----------------------------|-------------------------|-------------------------|
| Amount in Rupees | | | |
| Schedule 5 : Investments | | | |
| (Refer note A2 of Schedule 16) | | | |
| Long term investments (At cost) | | | |
| Other than trade (Unquoted) | | | |
| Equity Shares of Rs 10 each fully paid up: | | | |
| In Subsidiaries (Unquoted) | | | |
| Ambit Investment Advisory Company Limited | 2,249,994 (2,249,994) | 24,499,928 | 24,499,928 |
| Myra Mall Management Company Limited | 1,000,000 (1,000,000) | 10,000,000 | 10,000,000 |
| Kshitij Investment Advisors Company Limited | 2,999,994 (2,999,994) | 45,879,922 | 45,879,922 |
| Future Capital Investment Advisors Limited (formerly Indivision Investment Advisors Limited) | 2,249,994 (2,249,994) | 22,749,937 | 22,749,937 |
| Future Finance Limited | 10,750,000 (10,750,000) | 122,437,061 | 122,437,061 |
| Future Capital Financial Services Limited * | 26,124,934 (26,124,934) | 2,158,303,208 | 499,998,740 |
| Future Hospitality Management Limited | 49,994 (49,994) | 499,940 | 499,940 |
| Kshitij Property Solutions Private Limited | 684,000 (684,000) | 30,613,273 | 30,613,273 |
| Axon development Solutions Limited | 49,940 (49,940) | 499,400 | 499,400 |
| Future Capital Credit Limited * | (2,564,800) | - | 28,331,689 |
| | (I) | 2,415,482,669 | 785,509,890 |
| * Refer Note A2 of Schedule 16 | | | |
| Other investments (unquoted) | | | |
| 6% Unsecured Subordinated Convertible Debentures of Future Capital Financial Services Limited Convertible at par at the end of 5 years from the date of issue (Face Value Rs. 10) | 33,000,000 (-) | 330,000,000 | - |
| Investment in Pass Through Certificates (Indian Retail ABS Trust 84-ICICI Bank) | (35) | - | 277,482,213 |
| | (II) | 330,000,000 | 277,482,213 |
| Total (A) | | 2,745,482,669 | 1,062,992,103 |

Schedules forming part of the Balance Sheet

Amount in Rupees

| | Quantity# | As at March 31, 2010 | As at March 31, 2009 |
|---|----------------------------|-------------------------|-------------------------|
| Current Investments | | | |
| Investments in Mutual funds (At net asset value) (Unquoted) | | | |
| Investment in Mutual Funds units of Rs. 10 each, fully paid-up: | | | |
| HDFC Liquid Premium Plan -Dividend Daily Reinvestment | 23,686,233 (28,284,948) | 290,388,485 | 346,767,813 |
| Reliance Liquidity Fund-Dividend Daily Reinvestment | 11,396,671 (11,001,771) | 114,021,416 | 110,051,821 |
| HDFC Liquid Fund - Premium Plan - Growth | 6,332,883 (14,185,604) | 116,872,251 | 250,000,000 |
| Reliance Liquidity Fund-Growth Option | (35,564,763) | - | 471,079,013 |
| UTI Liquid Cash Plan Regular - Growth Option | - (335,691) | - | 485,386,049 |
| ICICI Prudential Institutional Liquid Plan - Super Institutional Growth | -(51,412,579) | - | 667,781,374 |
| Birla Sunlife Cash Plus Institutional Premium Growth | -(31,494,767) | - | 442,950,800 |
| Birla Sunlife Cash Plus Institutional Premium Dividend Reinvestment | 26,131,556 (25,211,835) | 261,825,120 | 252,609,983 |
| JP Morgan India Liquid Fund -Super Institutional Growth | 21,020,945 (-) | 250,037,838 | - |
| Religare Liquid Fund-Super Institutional Growth | 19,783,646 (-) | 250,035,610 | - |
| SBI Premier Liquid Fund-Super Institutional Growth | 37,334,070 (-) | 540,078,401 | - |
| | (I) | 1,823,259,121 | 3,026,626,853 |
| Other investments (At lower of cost or market value) (unquoted) | | | |
| Investment in Pass Through Certificates | - (130) | - | 1,060,543,489 |
| (Indian Retail ABS Trust 84-ICICI Bank) | | | |
| | (II) | - | 1,060,543,489 |
| In Joint Venture with: (At lower of cost or market value) (unquoted) (Refer Note C17 of Schedule 16) | | | |
| Equity Shares of Rs 10 each fully paid up: | | | |
| Realterm FCH Logistics Advisors Private Limited | 2,000,000 (2,000,000) | 20,000,000 | 20,000,000 |
| FCH Centrum Wealth Managers Limited | 1,402,800 (1,405,600) | 249,698,400 | 250,196,800 |
| FCH Centrum Direct Limited | 2,952,217 (2,958,121) | 749,863,118 | 751,362,734 |
| | (III) | 1,019,561,518 | 1,021,559,534 |
| Total (B) | | 2,842,820,639 | 5,108,729,876 |
| Grand total (A) + (B) | | 5,588,303,308 | 6,171,721,979 |
| Aggregate amount of quoted investments | | | |
| Aggregate amount of unquoted investments | | | |
| Net asset value of units in mutual funds | | | |
| Includes 65,055,849 (Previous year: Nil) units aggregating Rs. 755,338,894 (Previous year: Rs. Nil) pledged against overdraft of Rs. 597,147,620 (Previous year: Rs. Nil) taken by a subsidiary of the Company. | | | |

Schedules forming part of the Balance Sheet

Includes Nil (Previous year: 58,834,069) units aggregating Rs. Nil (Previous year: Rs. 640,497,243) pledged against overdraft of Rs. Nil (Previous year: Rs. 146,807,046) taken from by the Company from a bank.

figures in bracket relates to previous year figures

| Details of investments purchased and sold during the year | No. of units* | Amount in Rupees | |
|---|-----------------------------|------------------|----------------|
| | | March 31, 2010 | March 31, 2009 |
| ABN AMRO Flexi Debt Fund - Regular-Daily Dividend Reinvestment | - (121,420) | - | 1,214,209 |
| ABN AMRO Flexible Short Term Plan Ser A Calendar Qly Dividend Reinvestment | - (111,410) | - | 1,114,100 |
| ABN Amro Money Plus-IP | - (20,717,261) | - | 207,175,738 |
| Birla Cash Plus - Instl. Prem. - Daily Dividend Reinvestment | - (11,626,934) | - | 116,496,072 |
| Birla Cash Plus - Instl. Prem. - Growth | 248,589,157 (-) | 3,607,400,000 | - |
| Birla Income Plus - Quarterly Dividend Reinvestment | - (427,570) | - | 4,655,468 |
| Birla Interval Income-Instl.-Monthly-S2-Dividend Reinvestment | - (124,618) | - | 1,246,182 |
| Birla Interval Income-Instl.-Qly-S3-Dividend Reinvestment | - (202,817) | - | 2,028,175 |
| Birla Sun Life Liquid Plus - Institutional. - Daily Dividend Reinvestment | - (61,133,506) | - | 611,750,777 |
| BSL Interval Fund - Institutional. Monthly - Series 1 Dividend Reinvestment | - (15,470,776) | - | 154,707,766 |
| DBS Chola Interval Income Fund - QPC-Institutional Dividend | - (2748,71) | - | 2,750,663 |
| DWS Liquid Plus Fund -Institutional Daily Dividend | - (20,123,942) | - | 201,541,288 |
| HDFC Liquid Fund - Premium Plan - Growth | 87,580,152 (-) | 1,583,981,490 | - |
| HDFC Liquid Premium Plan - Daily Dividend Reinvestment | 8,321,643 (-) | 10,202,162 | - |
| ICICI Prudential - Flexible Income Plan Dividend - Daily-Reinvestment Dividend | - (26,609,009) | - | 281,350,365 |
| ICICI Prudential Income Fund | - (1,582,853) | - | 18,011,493 |
| ICICI Prudential Institutional Income Plan Dividend Quarterly-Reinvest Dividend | - (275,700) | - | 2,898,076 |
| ICICI Prudential Institutional Liquid Plan - Super Institutional | 123,935,755 (68,081,271) | 3,956,247,596 | 680,846,752 |
| JM Interval Fund - Quarterly Plan 3 - Institutional Dividend Plan | - (96,858) | - | 968,583 |
| JM Money Manager Fund Super Plus Plan -Daily Dividend (171) | - (15,111,696) | - | 151,178,923 |
| JP Morgan India Liquid Plus Fund - Dividend Plan - Reinvestment | - (29,122,926) | - | 291,474,430 |

Schedules forming part of the Balance Sheet

| Details of investments purchased and sold during the year | No. of units* | Amount in Rupees | |
|---|---------------|------------------|----------------|
| | | March 31, 2010 | March 31, 2009 |
| LIC MF Interval Fund Monthly Plan Series -1 | - | - | 408,481,876 |
| | (40,848,187) | | |
| LIC MF Liquid Fund Growth Fund | - | - | 984,296,773 |
| | (88,692,534) | | |
| LIC MF Liquid Plus Fund - Dividend Plan | - | - | 147,825,015 |
| | (14,782,501) | | |
| LIC MF Liquid Plus Fund- Daily Dividend Plan | - | - | 1,082,837,127 |
| | (108,283,71) | | |
| Mirae Asset Liquid Plus Fund - Super Inst - Dividend Plan | - | - | 504,207,164 |
| | (503,673) | | |
| Principal Cash Management Fund-Liquid Option Institutional Premium Plan - Dividend Reinvestment Daily | - | - | 200,033,576 |
| | (20,001,957) | | |
| Principal Liquid Plus Fund | - | - | 203,076,919 |
| | (20,267,157) | | |
| Prudential ICICI - Interval Fund | - | - | 663,012 |
| | (66,229) | | |
| Reliance Fixed Horizon Funds - VIII - Series 11 | - | - | 150,000,000 |
| | (15,000,000) | | |
| Reliance Liquid Fund Cash Plan | - | - | 379,382,508 |
| | (34,051,295) | | |
| Reliance Liquid Plus Fund Institutional Option | - | - | 60,117,262 |
| | (60,049) | | |
| Reliance Liquid Plus Fund-Institutional Option - Daily Dividend Plan | - | - | 251,398,417 |
| | (251,113) | | |
| Reliance Liquity Fund-Growth | 271,214,831 | 3,686,400,000 | 650,601,764 |
| | (65,040,013) | | |
| Reliance Medium Term Fund | - | - | 504,785,345 |
| | (29,527,381) | | |
| SBI Debt Fund Series 23 - 90 days | - | - | 153,330,518 |
| | (15,332,671) | | |
| SBI Liquid Plus | - | - | 376,143,438 |
| | (37,595,546) | | |
| SBI Magnum Insta Cash Fund | - | - | 300,641,151 |
| | (17,948,403) | | |
| SBI Premier Liquid Fund - Institutional - Daily Dividend | 24,892,650 | 360,028,376 | 175,030,351 |
| | (17,446,334) | | |
| Sundaram BNP Paribas Money Fund Super Inst.Daily Dividend Reinvestment | - | - | 402,301,280 |
| | (39,990,854) | | |
| TATA Dynamic Bond Fund Option A | - | - | 1,206,194 |
| | (114,733) | | |
| Templeton India Income Builder Account Plan A - Monthly | - | - | 6,912,884 |
| | (567,558) | | |
| Templeton India TM -SIP - Dly Div | - | - | 295,046,497 |
| | (294,933) | | |
| Templeton Ultra Short Term Fund | - | - | 297,185,942 |
| | (29,662,828) | | |
| UTI Liquid Cash Plan Institutional | 2,349,140 | 3,495,500,002 | 354,386,049 |
| | (347,626) | | |
| UTI Liquid Cash Plan Institutional Daily Income Option Reinvestment | - | - | 500,368,445 |
| | (490,824) | | |

* Figures in bracket relate to previous year

Schedules forming part of the Balance Sheet

Amount in Rupees

| | As at March 31, 2010 | As at March 31, 2009 |
|--|-------------------------|-------------------------|
| Schedule 6 : Sundry Debtors | | |
| (Refer note A2 of Schedule 16) (Unsecured, considered good) | | |
| Debts outstanding for a year exceeding six months | - | 1,206,106 |
| Other debts | 22,403,433 | 98,173,153 |
| Total | 22,403,433 | 99,379,259 |
| Includes dues from companies under same management | | |
| Home Solutions Retail (India) Limited (Maximum outstanding Rs. Nil; Previous year : Rs. 5,550,801) | - | 1,907,359 |
| Pantaloon Retail (India) Limited (Maximum outstanding Rs. Nil; Previous year : Rs. 1,289,496) | - | 202,003 |
| Schedule 7 : Cash and Bank Balances | | |
| (Refer note A2 of Schedule 16) | | |
| Cash on hand | 39,134 | 3,914,019 |
| Cheques on hand | - | 1,205,170 |
| Balance with scheduled banks: - on current account * | 234,191,587 | 17,903,120 |
| Total | 234,230,721 | 23,022,309 |
| * Includes balance of Rs. 2,311,621 (Previous year: Rs. 2,466,926) with a bank for which refund instruments have been issued to the investors but yet to be encashed by the investors. | | |
| Schedule 8 : Other Current Assets | | |
| (Refer note A2 of Schedule 16) | | |
| Unamortised loan origination cost (Refer note C16 of Schedule 16) | - | 88,035,466 |
| Unrealised discount on Pass Through Certificates | - | 23,377,908 |
| Interest accrued but not due | 30,087,239 | 81,883,319 |
| Subvention income receivable | - | 577,665 |
| Total | 30,087,239 | 193,874,358 |
| Schedule 9 : Loans and Advances | | |
| (Refer Note C12 of Schedule 16 and note A2 of Schedule 16) | | |
| Secured, considered good | | |
| Loans to body corporates | 5,668,833,338 | 1,663,000,000 |
| Retail loans | - | 585,085,964 |
| Unsecured, considered good | | |
| Loans / Inter corporate deposits to subsidiaries | 26,700,000 | 832,579,637 |
| Inter corporate deposits to other body corporates | 318,000,000 | 150,000,000 |
| Advance taxes (net of provision for tax) | 136,718,454 | 139,944,880 |
| Fringe benefit tax (net of provision for fringe benefit tax) | 328,305 | 19,195 |
| Security deposits | 35,485,000 | 101,697,301 |
| Advances recoverable in cash or in kind or for value to be received | - | - |
| - Considered good * | 166,695,597 | 244,826,339 |
| - Considered doubtful | - | 710,415 |
| Less: Provision for doubtful advances | - | (710,415) |
| [*Includes Rs. Nil (Previous year Rs. 14,220,038) advance paid to the Executive Director against remuneration pending approval from Central Government] | | |
| Retail loans | - | 2,428,039,046 |
| Total | 6,352,760,694 | 6,145,192,361 |

Schedules forming part of the Balance Sheet

Amount in Rupees

| | As at March 31, 2010 | As at March 31, 2009 |
|---|-------------------------|-------------------------|
| Schedule 10 : Current Liabilities and Provisions | | |
| (Refer note A2 of Schedule 16) | | |
| (A) Current Liabilities | | |
| Sundry creditors | | |
| (Refer note C2 of Schedule 16) | | |
| - Due to micro and small enterprises | - | - |
| - Due other than micro and small enterprises | 50,577,391 | 176,908,673 |
| Overdrawn book balance | - | 16,957,687 |
| Fees received in advance | - | 385,917,688 |
| (Refer note C3 of Schedule 16) | | |
| Advance from customers | - | 1,745,617 |
| Unamortised income from customers/dealers | - | 36,529,371 |
| (Refer note C16 of Schedule 16) | | |
| Interest accrued but not due on loans | 64,726 | - |
| Amount due to subsidiary companies | 173,571,163 | - |
| Unpaid Share Application Money * | 2,311,621 | 2,466,926 |
| Other liabilities | 2,270,020 | 15,101,181 |
| Total | 228,794,921 | 635,627,143 |
| * Represents refund instruments issued to the investors but yet to be encashed by the investors. This does not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund. | | |
| (B) Provisions | | |
| Proposed dividend | 63,527,984 | - |
| Dividend tax thereon | 10,796,581 | - |
| For standard assets | - | 16,500,000 |
| For Gratuity | 1,151,698 | 3,344,130 |
| For Leave encashment | 166,469 | 1,532,446 |
| Total | 75,642,732 | 21,376,576 |

Schedules forming part of the Profit and Loss Account

| | Amount in Rupees | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
| Schedule 11 : Income from operations | | |
| Investment advisory fees | 131,727,150 | 94,889,421 |
| Upfront fees (TDS: Rs. 6,357,579 ; Previous year: Rs. 5,305,386) | 59,600,000 | 25,000,000 |
| Interest on loans and advances (TDS: Rs. 41,204,773 ; Previous year: Rs. 81,313,868) | 267,965,763 | 359,127,747 |
| Dividend from mutual fund units | 23,367,537 | 130,092,449 |
| Profit on sale of investments | 56,553,830 | 28,448,820 |
| Interest on Investments (TDS: Rs. 1,417,517; Previous year: Rs. Nil) | 14,569,315 | 48,917,888 |
| Amortisation of discount on Pass Through Certificates | - | 25,114,003 |
| Interest on fixed deposits (TDS: Rs. Nil; Previous year: Rs. 192,414) | - | 843,835 |
| Interest Income on retail loans | - | 531,397,705 |
| Processing fees and other charges (Refer note C16 of Schedule 16) | - | 24,945,996 |
| Bounced Cheque / Foreclosure Charges | - | 3,790,687 |
| Subvention income | - | 9,622,100 |
| Sourcing fees | - | 2,662,000 |
| Income from Sharing of Spends | - | 3,658,746 |
| Income from advertisement and promotional activities (TDS Rs. Nil ; Previous year: Rs. 401,898) | - | 18,259,950 |
| Total | 553,783,595 | 1,306,771,347 |
| Schedule 12 : Other Income | | |
| Foreign exchange gain (net) | - | 17,317,162 |
| Other income (TDS: Rs. 13,330 ; Previous year: Rs. 76,264) | 4,122,990 | 2,309,479 |
| Write back of excess provision | - | 31,601,140 |
| Total | 4,122,990 | 51,227,781 |
| Schedule 13 : Personnel expenses | | |
| Salaries, wages and allowances | 129,634,305 | 285,704,649 |
| Contribution to provident and other funds | 5,312,876 | 7,275,345 |
| Gratuity expenses (Refer note C4 of Schedule 16) | (1,143,297) | 2,297,536 |
| Staff welfare | 3,093,333 | 1,902,558 |
| Total | 136,897,217 | 297,180,088 |

Schedules forming part of the Profit and Loss Account

| | Amount in Rupees | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
| Schedule 14 : Administrative and other expenses | | |
| Rent | 44,185,570 | 171,998,363 |
| Rates and taxes | 2,219,044 | 5,846,897 |
| Licence fees | - | 30,000,000 |
| Insurance charges | 250,043 | 1,593,516 |
| Repairs and maintenance - Others | 4,244,024 | 6,218,696 |
| Business promotion expenses | 732,134 | 1,094,747 |
| Commission and brokerage | 210,014 | 27,195,507 |
| Traveling expenses | 7,555,164 | 14,119,961 |
| Communication expenses | 3,856,736 | 30,328,164 |
| Printing and stationery | 4,841,970 | 7,108,799 |
| Legal and professional | 33,178,271 | 65,789,496 |
| Recruitment expenses | 26,191 | 5,462,760 |
| Membership and subscription | 829,645 | 1,007,365 |
| Advertisement, publicity and sales promotion expenses | 3,065,370 | 30,145,729 |
| Auditor's Remuneration | | |
| Audit fees | 1,200,000 | 1,150,000 |
| Other certification matters | 87,033 | - |
| Out of pocket expenses | 26,002 | 58,818 |
| Electricity charges | 2,235,210 | 12,754,251 |
| Amortised loan origination cost | - | 41,756,743 |
| Conference expenses | 219,351 | 319,689 |
| Directors sitting fees | 940,000 | 820,000 |
| Loss on sale of fixed assets | - | 3,261,840 |
| Foreign exchange losses (net) | 5,312,868 | |
| Software license fees | 532,501 | 1,979,963 |
| Provision for doubtful debts and advances | - | 17,210,415 |
| Bad debts written off (net of recovery) | - | 149,559,403 |
| Miscellaneous expenses | 4,747,819 | 22,102,429 |
| Total | 120,494,960 | 648,883,551 |
| Schedule 15 : Finance Charges | | |
| Amortisation of discount on issue of commercial paper | 28,738,278 | 92,265,530 |
| Interest paid to banks | 56,112,361 | 148,800,326 |
| (Includes interest on term loans Rs. 48,830,125 ; Previous year : Rs. 121,188,911) | | |
| Interest paid to others | 76,981 | 4,641,096 |
| Bank charges and loan processing fees | 2,721,582 | 19,843,999 |
| Total | 87,649,202 | 265,550,951 |

Schedule 16 Notes to Accounts

A. NATURE OF OPERATIONS

1. Future Capital Holdings Limited (the 'Company') is a Non Banking Financial Company. The Company was incorporated on October 18, 2005 and has received a Certificate of Registration from the Reserve Bank of India ('RBI') on April 10, 2006 to commence / carry on the business of Non-Banking Financial Institution without accepting public deposits. Pursuant to the demerger scheme the Company is engaged into two major business verticals: investments advisory and wholesale credit and treasury services.

2. Significant changes in the operations of the Company:

The Company was engaged in the businesses of Investment Advisory Services, Wholesale Credit and Treasury activities and Retail Financial Services. The Wholesale Credit business and the Retail Financial Services comprised "The Credit Business Division ('CBD')".

The Board of Directors of the Company at their meeting held on 31st March, 2009, approved a composite Scheme of Amalgamation & Arrangement (the 'Scheme') involving Future Capital Holdings Limited ('FCH'), Future Capital Financial Services Limited (FCFSL) and Future Capital Credit Limited (FCCL), in terms of which Credit Business Division of the Company has been de-merged and vested with FCFSL. The Scheme also provided for the Amalgamation of FCC into FCFSL. The Scheme has been approved by the Shareholders of the Company on June 15, 2009 and by the Hon'ble High Court of Judicature at Bombay vide its order dated September 2, 2009. The Company has filed the court order approving the Scheme with the Registrar of Companies ('ROC') on February 1, 2010, Mumbai as required under section 391 of the Companies Act. The said scheme became effective from February 1, 2010 but operative with retrospective effect from April 1, 2009, the Appointed date. Pursuant to the Scheme:

- a. the business and operations of the demerged CBD have been vested with FCFSL with effect from April 1, 2009. Consequently,
 - the related assets and liabilities of the CBD, including those specifically identified in the Scheme, at the close of business hours on March 31, 2009, have been transferred to FCFSL on April 1, 2009;
 - Pending the scheme becoming effective the Company has, in trust, carried on the business of the CBD, from April 1, 2009 to January 31, 2010.
- b. the said transfer and vesting of the assets of the CBD is deemed to be on a going concern basis.
- c. Since FCFSL is a wholly owned subsidiary of the Company, no consideration has been received against the assets and liabilities transferred.

The details of the assets and liabilities transferred and vested with FCFSL as at April 1, 2009 is as follows:

| | Credit Business Division |
|--|---------------------------------|
| Fixed Assets (Net block) | 155,875,852 |
| Investments | 1,338,025,702 |
| Current assets, loans and advances | |
| Sundry debtors | 74,249,795 |
| Cash and bank balances | 6,724,503 |
| Other current assets | 164,187,665 |
| Loans and advances | 4,082,584,091 |
| | (A) 4,327,746,053 |
| Less: Current liabilities and provisions | |
| Current liabilities | 547,840,972 |
| Provisions | 17,828,981 |
| | (B) 565,669,953 |
| Net current assets | (A-B) 3,762,076,100 |
| Total Assets | 5,255,977,654 |
| Loan funds | 3,626,004,873 |
| Total Liabilities | 3,626,004,873 |
| Net assets transferred | 1,629,972,781 |

Schedule 16 Notes to Accounts (Contd.)

The accounting treatment as prescribed under the Scheme in respect of the net assets transferred aggregating Rs. 1,629,972,781 is represented by increase in the value of investment in Future Capital Financial Services Limited.

On amalgamation of FCC with FCFSL the investment held by the Company in FCC stands reduced and correspondingly investment value of FCFSL is increased by Rs. 28,331,689.

In terms of Accounting Standard AS-24 Discontinuing Operations, notified by the Companies Accounting Standards Rules, 2006, additional information with respect to the demerger of credit business division of the Company is as under:

| Particulars | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|--------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| | Continuing Operations | Discontinuing Operations | Continuing Operations | Discontinuing Operations |
| Total Assets | 12,267,993,341 | 9,227,429,177 | 7,004,713,873 | 5,821,647,608 |
| Total Liabilities | 4,732,989,652 | 7,705,681,843 | 1,198,537,807 | 4,191,674,826 |
| Income | 557,906,585 | 1,463,708,005 | 495,397,170 | 862,601,958 |
| Expenditure | 349,906,346 | 1,404,008,643 | 391,752,318 | 867,763,962 |
| Profit/ (Loss) before tax | 208,000,239 | 59,699,362 | 103,644,852 | (5,162,004) |
| Net cash Flow from/ (used in): | | | | |
| a. Operating activities | (4,033,494,413) | (1,679,659,945) | (15,204,064) | (3,826,023,388) |
| b. Investing activities | (273,297,458) | 1,425,740,873 | 1,193,448,503 | (1,409,909,480) |
| c. Financing activities | 3,321,512,359 | 246,953,746 | (1,401,039,385) | 5,240,254,211 |

Re-alignment of investment advisory business

The Board of Directors at their meeting held on December 11, 2009, approved the realignment of the investment advisory activities of the Company. The Company has entered into appropriate agreements with Everstone Investment Advisors Private Limited ('EIAPL'), to realign its investment advisory activities with a view to having a focused and dedicated approach to the investment advisory business.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies Accounting Standards Rules, 2006 except for the accounting of the effects of the Scheme, which has been done in accordance with the terms of the Scheme as approved by the High Court and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis, except for dividend from mutual fund units recognised on receipt basis and valuation of unquoted units of mutual funds at net asset value, which is in accordance with Non-Banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Direction 2007 ('NBFC Regulation'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Schedule 16 Notes to Accounts (Contd.)

3. Fixed assets and Depreciation

Tangible Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any other directly attributable costs of bringing the asset to its working condition for its intended use.

Leasehold improvements are depreciated on straight line basis over primary period of lease agreements.

Intangible Assets

Intangible assets include domain names, trademarks, copyrights and computer software, which are acquired, capitalized and amortized on a straight-line basis over the estimated useful lives, of 5 years.

Depreciation

Depreciation is provided using Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Tangible assets and intangible assets costing Rs 5,000 or less individually are fully depreciated / amortized in the year of purchase.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

4. Foreign currency transactions

(i) *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) *Exchange Differences*

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

5. Provisions

A provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

6. Retirement and other employee benefits

(i) The Company's employee benefits cover provident fund, gratuity and leave encashment.

(ii) Provident fund is a defined contribution scheme and the Company has no further obligation beyond the contributions made to provident fund authorities. Contributions are charged to the profit and loss account in the year in which they accrue.

Schedule 16 Notes to Accounts (Contd.)

- (iii) Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the financial year. The gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains/losses are immediately charged to the profit and loss account and are not deferred.
- (iv) The Company has provided for leave encashment liability at year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

7. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease period.

8. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Unquoted investments in units of mutual funds are stated at net asset value.

9. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Research and Advisory fees

Revenue from research and advisory services are recognised on pro-rata basis over the period of contract as and when services are rendered or in accordance with the arrangements entered into with the parties receiving such research and advisory services.

Interest income

Interest income is recognised on the time proportionate basis. Income from retail finance operations is accounted for by applying the Internal Rate of Return (IRR), implicit in the agreement on the diminishing balance of the financed amount, so as to provide a constant periodic rate of return on the net investment outstanding on the agreements.

Pre EMI interest received from customers is recognised as income on accrual basis.

In case of non performing assets interest income is recognised on receipt basis as per NBFC Prudential norms.

Income on discounted instruments

Income on discounted instruments is recognised over the tenor of the instrument on straight line basis. The unamortised income is netted against unrealized discount on such instrument and is disclosed under loans and advances.

Interest income on discounted instruments is recognised on a time proportion accrual basis.

Sourcing fees

Sourcing fees is recognised based on the co-branded credit cards sourced by the Company.

Income from sharing of spends

Income from sharing of spends is recognised on an accrual basis as a percentage of expenditure incurred by the holders of Company's co-branded credit card.

Upfront fees on loans

Upfront fees on loans are recognised as and when they are due.

Schedule 16 Notes to Accounts (Contd.)

Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognized on receipt basis in accordance with the NBFC Regulation.

Processing fees, Subvention income (net of service tax)

Processing fees received from customers and Subvention income received from manufacturers and dealers is recognised as income over the tenor of the loan agreements. The unamortized balance is being disclosed as part of current liabilities. However, if the agreement is foreclosed, balance of processing fees and subvention income is recognised as income at the time of such foreclosure.

Income from advertisement and promotional activities

Income from advertisement and promotional activities are accounted for in accordance with the terms of agreement and completion of services.

Profit/ Loss on sale of investments

Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

10. **Charge off and provisions policy**

The Company has transferred the retail loans pursuant to the Scheme of Arrangement and Amalgamation to FCFSL. Till March 31, 2009 the Company provided for overdue retail loans as under:

Consumption Loans and Personal Loans

| | | |
|------------------|---|----------------|
| Loss Assets | - | 100% write off |
| 180 days overdue | - | 100% write off |

Loans against Property

| | | |
|------------------|---|----------------|
| Loss Assets | - | 100% write off |
| 180 days overdue | - | 10% provision |
| 720 days overdue | - | 20% provision |
| 1080 Days | - | 100% write off |

Provision on non performing assets

Provision in respect of other non performing assets is made in accordance with the NBFC Regulations.

11. **Loan origination costs**

Loan acquisition costs such as credit verification, front end sales and processing cost, agreement stamping, dealer / agent commission, are recognised as expense over the average tenor of the loan agreements. Full month's amortization is done in the month of booking of loan. The unamortized balance is being disclosed as part of loans and advances. However, if the case is foreclosed, the unamortised portion of the loan acquisition costs is recognised as charge to the Profit and Loss Account at the time of such foreclosure.

12. **Borrowing costs**

Borrowing costs consists of interest and other cost that an entity incurs in connection with borrowing of funds. Borrowing costs are recognized as an expense in the period in which these are incurred.

13. **Commercial Papers**

Commercial paper is recognised at redemption value net of unamortized finance charges. The difference between redemption value and issue value is amortised on a time basis and is disclosed separately under finance charges.

14. **Income taxes**

Income tax comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Schedule 16 Notes to Accounts (Contd.)

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation and carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

15. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Employee Stock Option Scheme ('ESOS')

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of the Chartered Accountants of India ('ICAI'). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

17. Segment Reporting Policies

Identification of segments

The Company has organized its operations into two major businesses: Investment Advisory, Wholesale credit and Treasury services. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

It includes income and expense items which are not allocated to any business segment.

C NOTES ON ACCOUNTS

1. Contingent liabilities and commitments

- a. Contingent Liabilities not provided for in respect of:

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|---|-------------------------|-------------------------|
| Guarantees given by banks on behalf of the Company | Nil | 24,567,210 |
| Guarantees given by the Company on behalf of a subsidiary company | 6,730,224,621 | Nil |
| Income-tax matters under dispute | 4,520,786 | Nil |

Schedule 16 Notes to Accounts (Contd.)

b. Capital commitments:

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|--|----------------------------|----------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil | Nil |

2. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

The Company did not have any transactions with Small, Micro and Medium Enterprises as defined under "Micro, Small and Medium Enterprises Development Act, 2006" and hence there are no amounts due to such undertakings. The identification of units is based on the management's knowledge of their status.

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--|--|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | Nil | Nil |
| The amount of interest paid in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |

3. Fees received in advance

In the earlier years, the Company had entered into an agreement with ICICI Bank Limited for distribution of co-branded credit cards. The Company had received an amount of Rs. 440,000,000 (inclusive of service tax Rs. 48,401,566) as advance towards account set up fees payable by ICICI Bank Limited to the Company. Balance amount of Rs. 385,917,688 (net of service tax, sourcing fees and spends income) had been shown as 'fees received in advance' under the head 'Current Liabilities' for the year ended March 31, 2009. Subsequently the same has been transferred to Future Capital Financial Services ('FCFSL') pursuant to the Scheme of de-merger. For details refer Note A2 above.

4. Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. Gratuity expense has been included in Salaries, wages and allowances under Personnel expenses.

The following table summaries the components of net benefit expense recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans.

Schedule 16 Notes to Accounts (Contd.)

A. Change in Present Value of Obligation

(Amount in Rs.)

| Particulars | Gratuity (Unfunded) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
| Present Value of the Obligation as at the beginning of the year | 3,344,130 | 1,202,165 |
| Less: Transferred pursuant to the Scheme of demerger (Refer Note A2 of Schedule 16) | 792,528 | - |
| Interest Cost | 178,612 | 79,602 |
| Current Service Cost | 535,854 | 1,751,833 |
| Benefit Paid | 256,607 | (155,571) |
| Actuarial (gain)/ loss on obligations | (1,857,763) | 466,101 |
| Present Value of the Obligation as at the end of the year | 1,151,698 | 3,344,130 |

B. Amount recognised in the Balance Sheet

(Amount in Rs.)

| Particulars | Gratuity (Unfunded) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
| Present Value of the Obligation as at the end of the year | 1,151,698 | 3,344,130 |
| Fair Value of Plan Assets as on the end of the year | - | - |

C. Amount recognised in the Profit and Loss Account

(Amount in Rs.)

| Particulars | Gratuity (Unfunded) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
| Interest Cost | 178,612 | 79,602 |
| Current Service Cost | 535,854 | 1,751,833 |
| Expected Return on Plan Assets | - | - |
| Actuarial (gain)/ loss on obligations | (1,857,763) | 466,101 |
| Total expense recognised in the Profit and Loss Account | (1,143,297) | 2,297,536 |

D. Reconciliation of Balance Sheet

(Amount in Rs.)

| Particulars | Gratuity (Unfunded) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
| Present Value of the Obligation as at the beginning of the year | 3,344,130 | 1,202,165 |
| Less: Transferred pursuant to the Scheme of demerger (Refer Note A2 of Schedule 16) | 792,528 | - |
| Total expense recognised in the Profit and Loss Account | (1,143,297) | 2,297,536 |
| Benefits paid | 256,607 | (155,571) |
| Present Value of the Obligation as on the end of the year | 1,151,698 | 3,344,130 |

Schedule 16 Notes to Accounts (Contd.)

The principal assumptions used in determining obligations for the Company's plans are shown below:

| Assumptions | Gratuity (Unfunded) | |
|-------------------------------|---------------------|----------------|
| | March 31, 2010 | March 31, 2009 |
| Discount rate | 7% | 7% |
| Increase in compensation cost | 5% | 5% |
| Employee turnover | 2% | 2% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Since the Company has not funded its gratuity liability and leave encashment there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

5. Employee Stock Option Scheme ('ESOS')

ESOS 2007

Pursuant to ESOS 2007 Scheme approved vide Board Resolution dated August 23, 2007 and approved in the Annual General Meeting dated September 25, 2007, the Company had granted options in respect of 1,000,000 equity shares to the eligible employees at an exercise price of Rs. 178. The original vesting period for the options was three years from the date of grant i.e. vesting in October/ November 2010. During the year, the remuneration committee vide its meeting held on December 11, 2009 modified the vesting period to December 15, 2009. Details of activity in respect of ESOS 2007 are as follows:

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--------------------------------------|--------------------------------------|
| Options outstanding as at the beginning of the year | 698,000 | 1,000,000 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Lapsed during the year | 42,000 | 302,000 |
| Exercised/ Allotted during the year | - | - |
| Outstanding as at the end of the year | 656,000 | 698,000 |
| Exercisable at the end of the year | - | - |
| Weighted average remaining contractual life (in years) | 0.66 | 2.50 |
| Weighted average fair value of options granted | Rs. 9.37 | Rs. 9.37 |

ESOS 2008

Pursuant to ESOS 2008 Scheme Board Resolution dated June 16, 2008 and approved in the Annual General Meeting dated August 14, 2009, the Company had granted options in respect of 948,500 equity shares to the eligible employees at an exercise price of Rs. 102. The vesting period for options is three years from the date of grant i.e. vesting on March 31, 2012. During the year, the remuneration committees vide its meeting held on December 11, 2009 modified the vesting period to March 31, 2010. Details of activity in respect of ESOS 2008 are as follows:

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--------------------------------------|--------------------------------------|
| Options outstanding as at the beginning of the year | 948,500 | - |
| Granted during the year | - | 948,500 |
| Forfeited during the year | - | - |
| Lapsed during the year | 208,500 | - |
| Exercised/ Allotted during the year | - | - |
| Outstanding as at the end of the year | 740,000 | 948,500 |
| Exercisable at the end of the year | 740,000 | - |
| Weighted average remaining contractual life (in years) | 4 | 7 |
| Weighted average fair value of options granted | Rs. 63 | Rs. 63 |

Schedule 16 Notes to Accounts (Contd.)

Proforma Accounting

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|-----------------------------------|-----------------------------------|
| Net Profit after tax as reported | 173,179,407 | 93,086,323 |
| Less: Employee stock compensation under fair value method | 49,170,457 | 2,007,273 |
| Total | 124,008,950 | 91,079,050 |
| Basic earnings per share as reported | 2.73 | 1.47 |
| Proforma Basic earnings per share | 1.95 | 1.44 |
| Diluted earnings per share as reported | 2.70 | 1.46 |
| Proforma Diluted earnings per share | 1.94 | 1.43 |

6. Segmental Reporting

Pursuant to the Scheme the Company has organized its operations into two major business verticals: Investment Advisory and Wholesale credit services. A description of the types of products and services provided by each reportable segment is as follows:

Investment Advisory:

The Company provides investment advisory services to onshore and offshore clients. These investment advisory services include investment analysis, research and investment recommendations. The in-house research team assists the process of value creation for private equity and real estate advisory businesses through macro economic analysis, survey based field work, in-house data and real time business experience.

Wholesale credit and Treasury:

The wholesale credit business uses our proprietary balance sheet to build a unique structured credit business that focuses on mezzanine, promoter, project and acquisition financing as well other special situations related financing. The treasury operations ensure liquidity for business and manage investment of surplus funds to optimize returns within the approved risk management framework.

Geographical Segments :

The Company has identified geographical segments as within India and outside India.

For Segment Information - Refer Annexure 1

7. Related Party Disclosure:

Names of related parties where control exists irrespective of whether transactions have occurred or not

| Relationship | Name of the Party |
|-----------------|--|
| Holding Company | Pantaloon Retail (India) Limited |
| Subsidiaries | Kshitij Investment Advisory Company Limited |
| | Ambit Investment Advisory Company Limited |
| | Myra Mall Management Company Limited |
| | Future Capital Financial Services Limited |
| | Future Hospitality Management Limited |
| | Future Capital Investment Advisors Limited (formerly Indivision Investment Advisors Limited) |
| | Future Finance Limited |
| | Kshitij Property Solutions Private Limited |
| | Axon Development Solutions Limited |
| | Future Capital Credit Limited (merged with Future Capital Financial Services Limited w.e.f. April 1, 2009) |
| | FCH CentrumDirect Limited (upto June 15, 2009) |
| | FCH Centrum Wealth Managers Limited (upto June 12, 2009) |

Schedule 16 Notes to Accounts (Contd.)

Joint Ventures Realterm FCH Logistics Advisors Private Limited
 FCH CentrumDirect Limited (w.e.f. June 16, 2009)
 FCH Centrum Wealth Managers Limited (w.e.f. June 13, 2009)

Names of other related parties with whom transactions have taken place during the year

| Relationship | Name of the Party |
|--------------------------|--|
| Fellow subsidiaries | Home Solutions Retail (India) Limited Future Media India Limited Pantaloon Future Ventures Limited Future bazaar India Limited Future Ventures India Limited |
| Associates | Future Ideas Company Limited Idiom Design and Consulting Limited Pingaksh Realty Private Limited Everstone Investment Advisors Private Limited (formerly New Edge Investment Advisors Limited) (upto December 31, 2009) Future E-commerce Infrastructure Limited |
| Key Management Personnel | Sameer Sain, Vice Chairman and Managing Director (upto February 5, 2010) Dhanpal Jhaveri, Whole time Director designated as Executive Director (upto April 6, 2010) Krishan Kant Rathi, Whole time Director (w.e.f. April 6, 2010) |

Refer Annexure 2 and 2A for the transactions with related parties.

8. Operating Leases

The Company's significant leasing arrangements in respect of operating leases are for premises (residential and office) and vehicle which are renewable on mutual consent at agreed terms. The aggregate lease rentals payable are charged to the profit and loss account.

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--------------------------------------|--------------------------------------|
| Lease payments recognised in the profit and loss account | 44,185,570 | 171,998,363 |

Details of non-cancellable leases are as follows:

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|--------------------------------------|--------------------------------------|
| Minimum Lease Payments: | | |
| Not later than one year | - | 38,633,571 |
| Later than one year but not later than five years | - | 16,586,372 |
| Later than five years | - | - |

Schedule 16 Notes to Accounts (Contd.)

The Company's sub leasing arrangements are in respect of operating leases for office premises which are renewable on mutual consent at agreed terms. The aggregate lease rental income recognized in the profit and loss account is as follows:

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--------------------------------------|--------------------------------------|
| Lease income recognised in the profit and loss account | - | 300,000 |

9. Earnings Per Share ('EPS')

Basic and diluted EPS has been computed by dividing the net profit after tax for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|--------------------------------------|--------------------------------------|
| Net profit considered for basic EPS calculation | 173,179,407 | 93,086,323 |
| Weighted average number of equity shares for calculating basic EPS | 63,527,984 | 63,402,231 |
| Nominal value per share | Rs. 10 | Rs. 10 |
| Basic EPS | 2.73 | 1.47 |
| Net profit considered for diluted EPS calculation | 173,179,407 | 93,086,323 |
| Weighted average number of equity shares used for calculating basic EPS | 63,527,984 | 63,402,231 |
| Add : Weighted average number of equity shares under options | 554,251 | 278,430 |
| Weighted average number of equity shares in calculating diluted EPS | 64,082,235 | 63,680,661 |
| Nominal value per share | Rs. 10 | Rs. 10 |
| Diluted EPS | 2.70 | 1.46 |

10. Deferred Tax Liabilities/ Assets

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|---|-------------------------|-------------------------|
| Deferred Tax Liability | | |
| On depreciation | 2,165,923 | 7,959,573 |
| On Unamortised loan origination cost | - | 29,923,255 |
| Sub-Total | 2,165,923 | 37,882,828 |
| Deferred Tax Asset | | |
| On provision for gratuity and leave encashment | 437,895 | 1,657,548 |
| Unamortised processing fees and subvention income | - | 12,416,333 |
| On unabsorbed losses | - | 22,087,751 |
| Sub-Total | 437,895 | 36,161,632 |
| Deferred tax (assets)/ liabilities (net) | 1,728,028 | 1,721,196 |

Schedule 16 Notes to Accounts (Contd.)

11. Joint Venture Disclosures:

i) Jointly Controlled Entity by the Company:

| Name of the Entity | Country of incorporation | % Holding | |
|---|--------------------------|----------------|----------------|
| | | March 31, 2010 | March 31, 2009 |
| Kshitij Property Solutions Private Limited | India | Nil | 50% |
| Realterm FCH Logistics Advisors Private Limited | India | 50% | 50% |
| FCH CentrumDirect Limited | India | 50% | Not Applicable |
| FCH Centrum Wealth Managers Limited | India | 50% | Not Applicable |

ii) Company's share of in the Assets, Liabilities, Income and Expenses with respect to jointly controlled entities are as follows:

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|----------------------------|----------------------|----------------------|
| Assets | 997,697,863 | 20,440,238 |
| Liabilities | 308,720,667 | 7,151,844 |
| Revenue | 226,403,392 | 40,670,842 |
| Depreciation/ amortization | 15,407,076 | 187,115 |
| Other expenses | 271,082,606 | 34,626,613 |
| Profit/ (Loss) before tax | (60,086,290) | 5,857,114 |
| Capital Commitments | - | - |
| Contingent Liabilities | - | - |

12. Included in Loans and Advances are:

Loans and advances granted to companies under same management pursuant to Section 370(1B) of the Companies Act, 1956, associates and companies in which directors are interested pursuant to and Clause 32 is as under:

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|--|----------------------|----------------------|
| Due from subsidiaries | | |
| Ambit Investment Advisory Company Limited (Maximum amount outstanding during the year Rs. 83,102,959 (Previous year Rs. Nil)) | 26,700,000 | - |
| Myra Mall Management Company Limited (Maximum amount outstanding during the year Rs. 635,022,583 (Previous year Rs. 643,331,691)) | 38,600,000 | 635,022,583 |
| Kshitij Investment Advisory Company Limited (Maximum amount outstanding during the year Rs. 2,265,081 (Previous year Rs. 4,900,256)) | 72,876 | 992,251 |
| Future Capital Investment Advisors Limited (Maximum amount outstanding during the year Rs. 5,405,516 (Previous year Rs. 16,954,169)) | 130,992 | 5,405,516 |
| Future Finance Limited (Maximum amount outstanding during the year Rs. 1,196,509 (Previous year Rs. 578,051)) | - | 395,232 |
| Future Capital Financial Services Limited (Maximum amount outstanding during the year Rs. 330,000,000 (Previous year Rs. 271,467,166)) | - | 254,035,446 |
| Kshitij Property Solutions Private Limited (Maximum amount outstanding during the year Rs. 101,590 (Previous year Rs. 146,377)) | - | 60,382 |

Schedule 16 Notes to Accounts (Contd.)

Due from companies under same management

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|---|-------------------------|-------------------------|
| Everstone Investment Advisors Private Limited (ceased to be a company under same management w.e.f. January 1, 2010) (Maximum amount outstanding during the year Rs. 101,110 (Previous year Rs. 77,945)) | - | 200 |
| Pantaloon Retail (India) Limited (Maximum amount outstanding during the year Rs. 5,673,783 (Previous year Rs. 5,698,595)) | - | 5,673,783 |
| Future Ventures India Limited (Maximum amount outstanding during the year Rs. 523,897 (Previous year Rs. 540,654)) | - | 523,897 |
| Pan India Foods Solutions Private Limited (Maximum amount outstanding during the year Rs. 51,467,341 (Previous year Rs. 51,467,341)) | - | 520,833 |
| Future Generali India Insurance Company Limited (Maximum amount outstanding during the year Rs. 500,000 (Previous year Rs. 500,000)) | - | 500,000 |
| Future Generali India Life Insurance Company Limited (Maximum amount outstanding during the year Rs. 967,624 (Previous year Rs. 9,667,624)) | - | 967,624 |
| Home Solutions Retail (India) Limited (Maximum amount outstanding during the year Rs. 257,268,991 (Previous year Rs. Nil)) | 80,000,000 | - |
| Due from directors of the Company (Maximum amount outstanding during the year Rs. 14,220,038 (Previous year Rs. 14,220,038)) | - | 14,220,038 |
| Due from officers of the Company (Maximum amount outstanding during the year Rs. 1,500,000 (Previous year Rs. 1,543,593)) | - | 1,500,000 |

13. Managerial Remuneration:

Particulars of remuneration and other benefits provided to Directors

(Amount in Rs.)

| Particulars | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|--------------------------------------|--------------------------------------|
| Salaries and Allowances | 12,209,416 | 24,847,283 |
| Contribution to provident and other funds | 375,000 | 375,000 |
| Perquisites | 10,212,251 | 50,953 |
| Total | 22,796,667 | 25,273,236 |

Notes:

- Remuneration paid to the Directors exceeds the limit prescribed under Schedule XIII to the Companies Act, 1956 for which the Company has received approval from the Central Government.
- In the previous year, the Company had applied to the Central Government for remuneration paid to executive director of the Company. During the year, the Company has received the approval from the Central Government to pay remuneration to executive director upto February 19, 2010. Accordingly remuneration has been paid till the date of approval.
- Costs pertaining to group medical and group life insurance cover and contribution towards benefit in respect of gratuity are being funded on an overall Company basis and accordingly have not been considered in the above information.

Schedule 16 Notes to Accounts (Contd.)

14. Details of utilisation of proceeds raised through public issue

The Company had raised Rs. 4,913,442,000 during its Initial Public Offer (IPO) in the earlier years'. The amount raised through public issue has been utilized as follows:

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|-----------------------------------|-------------------------|-------------------------|
| Share issue expenses | - | 298,265,649 |
| Towards general corporate purpose | - | 309,224,134 |
| Towards retail financial services | - | 4,305,952,217 |
| Total | - | 4,913,442,000 |

15. Foreign Currency

(Amount in Rs.)

| Earnings in foreign currency (Accrual basis) | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--------------------------------------|--------------------------------------|
| Research and Advisory fees | 130,297,150 | 94,889,421 |
| Total | 130,297,150 | 94,889,421 |

(Amount in Rs.)

| Expenditure in foreign currency (Accrual basis) | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|--------------------------------------|--------------------------------------|
| Travelling | 1,971,216 | 727,621 |
| Conference and seminars | 185,214 | 95,135 |
| Others | - | 29,173 |
| Total | 2,156,430 | 851,929 |

16. Deferral of loan origination cost, processing fees and subvention income

The Company had deferred the loan origination cost and processing fees income over the average tenor of the respective loan agreement. Pursuant to the Scheme of de-merger the same has been transferred to Future Capital Financial Services ('FCFSL'). For details refer Note A2 above.

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|---|-------------------------|-------------------------|
| Total loan origination cost deferred | - | 104,436,773 |
| Cost amortised and charged to profit and loss account during the year | - | 41,756,743 |
| Unamortised cost shown into balance sheet | - | 88,035,466 |

(Amount in Rs.)

| Particulars | As at March 31, 2010 | As at March 31, 2009 |
|--|-------------------------|-------------------------|
| Total unamortised income from processing fees/ subvention income | - | 59,947,665 |
| Income amortised and credited to profit and loss account during the year | - | 34,568,096 |
| Unamortised processing fees/ subvention income shown into balance sheet | - | 36,529,371 |

Schedule 16 Notes to Accounts (Contd.)

17. The Company had acquired 50.10% each in FCH CentrumDirect Limited ('FCDL') and FCH Centrum Wealth Managers Limited ('FCWML') respectively on March 12, 2008. Accordingly, these investments were classified as investment in subsidiary companies till March 31, 2009. During the year, the Company has sold 0.10% each in FCDL and FCWML. Consequently the same has been classified as joint ventures of the Company. These investments were acquired on a temporary basis with an intention to sale in the near future.

Pursuant to Memorandum of Understanding ('MOU') entered with Everstone Investment Advisors Private Limited ('EIAPL') the Company has agreed to sell its 50% stake in Realterm FCH Logistics Advisors Private Limited to EIAPL at book value after obtaining necessary approvals.
18. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 have been given to the extent applicable and necessary.
19. Additional information as per guidelines issued by the Reserve Bank of India in respect of Non-Banking Financial (Non-deposit accepting or holding) Systemically Important (NBFC-ND-SI) is given in Annexure 3.
20. Pursuant to change in the operations of the Company as detailed in Note A2 above, current year figures exclude the credit businesses and hence they are not strictly comparable with that of the previous year. Prior period figures have been reclassified/ regrouped to confirm with the current year's presentation, wherever applicable.

As per our report of even date

For S.R. Batliboi & Co.

Firm Registration No. 301003E
Chartered Accountants

per Hemal Shah

Partner
Membership No. 42650

Place: Mumbai
Date: May 24, 2010

**For and on behalf of the Board of
Directors of Future Capital Holdings Limited**

Kishore Biyani
Chairman

Shailesh Haribhakti
Director

Krishan Kant Rathi
Director & Manager

N. Shridhar
Chief Financial Officer

Chetan Gandhi
Head - Legal & Secretarial

Place: Mumbai
Date: May 24, 2010

Schedule 16 Notes to Accounts (Contd.)

Additional Information pursuant to Part IV of Schedule VI to the Act Balance Sheet Abstract and Company General Business Profile

I REGISTRATION DETAILS

Registration No.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 1 | - | 1 | 5 | 6 | 7 | 9 | 5 |
|---|---|---|---|---|---|---|---|---|

 State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

| | | | |
|---|---|---|---|
| 2 | 0 | 1 | 0 |
|---|---|---|---|

Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amt. in Rs. Thousands)

Public Issue

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

 Right Issue :

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

Bonus Issue

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

 Private Placement :

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amt. in Rs. Thousands)

Total Liabilities (including shareholder's funds)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 2 | 6 | 7 | 9 | 9 | 3 |
|---|---|---|---|---|---|---|---|

 Total Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 2 | 6 | 7 | 9 | 9 | 3 |
|---|---|---|---|---|---|---|---|

Sources of Funds

Paid up Capital

| | | | | | |
|---|---|---|---|---|---|
| 6 | 3 | 5 | 2 | 8 | 0 |
|---|---|---|---|---|---|

 Reserve & Surplus

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 8 | 9 | 9 | 7 | 2 | 4 |
|---|---|---|---|---|---|---|

Secured Loans

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 0 | 5 | 2 | 9 | 5 | 0 |
|---|---|---|---|---|---|---|

 Unsecured Loans

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 3 | 7 | 3 | 8 | 7 | 4 |
|---|---|---|---|---|---|---|

Deferred Tax liability

| | | | |
|---|---|---|---|
| 1 | 7 | 2 | 8 |
|---|---|---|---|

APPLICATION OF FUNDS

Net Fixed Assets

| | | | | | | |
|-------------------------------------|--------------------------|---|---|---|---|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2 | 9 | 8 | 5 | 4 |
|-------------------------------------|--------------------------|---|---|---|---|---|

 Investments

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | 5 | 8 | 8 | 3 | 0 | 3 |
|---|---|---|---|---|---|---|

(Please tick appropriate box + for Positive, - for Negative)

Net Current Assets

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 3 | 4 | 5 | 3 | 9 | 9 |
|---|---|---|---|---|---|---|

 Miscellaneous Expenditure

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

Accumulated Losses

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

IV PERFORMANCE OF COMPANY (Amt. in Rs. Thousands)

Turnover (including other income)

| | | | | | |
|---|---|---|---|---|---|
| 5 | 5 | 7 | 9 | 0 | 6 |
|---|---|---|---|---|---|

 Total Expenditure

| | | | | | |
|---|---|---|---|---|---|
| 3 | 4 | 9 | 9 | 0 | 6 |
|---|---|---|---|---|---|

(Please tick appropriate box + for Positive, - for Loss)

Profit / Loss Before Tax

| | | | | | | | |
|-------------------------------------|--------------------------|---|---|---|---|---|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2 | 0 | 8 | 0 | 0 | 0 |
|-------------------------------------|--------------------------|---|---|---|---|---|---|

 Profit / Loss After Tax

| | | | | | |
|---|---|---|---|---|---|
| 1 | 7 | 3 | 1 | 7 | 9 |
|---|---|---|---|---|---|

(Please tick appropriate box + for Positive, - for Negative)

Earning Per Share in Rs.

| | | | | | |
|-------------------------------------|--------------------------|---|---|---|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2 | . | 7 | 3 |
|-------------------------------------|--------------------------|---|---|---|---|

 Dividend Rate %

| | |
|---|---|
| 1 | 0 |
|---|---|

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary TERMS)

Item Code No. (ITC Code) Product Description

Not Applicable Non Banking Financial Company

For and on behalf of the Board of Directors of Future Capital Holdings Limited

Kishore Biyani
Chairman

Shailesh Haribhakti
Director

Krishan Kant Rathi
Director & Manager

N. Shridhar
Chief Financial Officer

Chetan Gandhi
Head - Legal & Secretarial

Place: Mumbai
Date: May 24, 2010

Schedule 16 Notes to Accounts (Contd.)

Annexure 1 to Note C 6 of the Schedule 16 of Notes to Accounts

Information about segment

| Particulars | Investment Advisory | | Wholesale Credit and Treasury* | | Retail Financial Services* | | Unallocated | | Total |
|---|---------------------|---------------------|--------------------------------|----------------------|----------------------------|----------------------|----------------------|--------------------|-----------------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | |
| I. Primary Segment-Business | | | | | | | | | |
| Revenue | | | | | | | | | |
| Income from external operations | 130,797,150 | 112,550,626 | 422,056,445 | 543,512,851 | - | 699,970,216 | 5,052,990 | 1,965,435 | 557,906,585 |
| Inter segment revenue | - | - | - | - | - | - | - | - | - |
| Total | 130,797,150 | 112,550,626 | 422,056,445 | 543,512,851 | - | 699,970,216 | 5,052,990 | 1,965,435 | 1,357,999,128 |
| Segment result | 29,777,176 | (37,594,442) | 226,044,991 | 132,677,261 | - | 1,434,594 | 5,052,990 | 1,965,435 | 260,875,157 |
| Unallocated corporate expenses | | | | | | | (52,874,918) | - | (52,874,918) |
| Income taxes (Current tax, Fringe benefit tax and deferred tax) | | | | | | | (84,820,832) | (5,396,525) | (5,396,525) |
| Net Profit after tax | | | | | | | | | 173,179,407 |
| Other Information | | | | | | | | | |
| Segment assets | 55,865,332 | 183,696,077 | 8,640,037,063 | 7,672,490,802 | - | 4,830,210,528 | - | - | 8,695,902,395 |
| Other unallocated assets | - | - | - | - | - | - | 3,572,090,946 | 139,964,075 | 3,572,090,946 |
| Total Assets | 55,865,332 | 183,696,077 | 8,640,037,063 | 7,672,490,802 | - | 4,830,210,528 | 3,572,090,946 | 139,964,075 | 12,826,361,481 |
| Segment liabilities | - | 59,226,674 | 4,656,937,059 | 3,332,381,059 | - | 1,996,883,705 | - | - | 4,656,937,059 |
| Other unallocated liabilities | - | - | - | - | - | - | 76,052,593 | 1,721,196 | 76,052,593 |
| Total Liabilities | - | 59,226,674 | 4,656,937,059 | 3,332,381,059 | - | 1,996,883,705 | 76,052,593 | 1,721,196 | 4,732,989,652 |
| Capital Expenditure | - | 1,699,389 | 318,680 | 1,699,389 | - | 77,831,637 | - | - | 318,680 |
| Depreciation/ amortisation | 2,432,483 | 2,263,805 | 2,432,484 | 2,263,805 | - | 43,374,080 | - | - | 4,864,967 |
| Other non-cash expenses | - | - | - | - | - | 17,210,415 | - | - | 17,210,415 |
| II. Secondary Segment-Geographical | | | | | | | | | |
| Revenue | | | | | | | | | |
| Domestic | 500,000 | - | 422,056,445 | 543,512,851 | - | 699,970,216 | 5,052,990 | 1,965,435 | 427,609,435 |
| Exports | 130,297,150 | 112,550,626 | - | - | - | - | - | - | 130,297,150 |
| Total | 130,797,150 | 112,550,626 | 422,056,445 | 543,512,851 | - | 699,970,216 | 5,052,990 | 1,965,435 | 557,906,585 |

* During the year, the Company has discontinued retail financial operations and certain activities of wholesale credit division. Refer note A2 of Schedule 16
All assets of the Company are situated in India

Schedule 16 Notes to Accounts (Contd.)

Annexure 2 to Note C 7 of the Schedule 16 of Notes to Accounts

Transactions with Related parties

(Amount in Rs.)

| Relationship | Holding Company | | Subsidiaries | | Joint Ventures | | Fellow Subsidiaries | | Associate Companies | | Key Management Personnel | |
|---|-----------------|--------------|---------------|-------------|----------------|-------------|---------------------|-------------|---------------------|------------|--------------------------|-------------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Purchase of Goods/Services | 778,340 | 278,955 | 34,025 | 219,955 | - | - | - | 748,104 | - | 1,873,320 | - | - |
| DSA Commission | - | - | - | 116,244,005 | - | - | - | - | - | - | - | - |
| Marketing and Advertising | - | - | - | - | - | - | - | - | - | 49,339,526 | - | - |
| Loans taken | 250,000,000 | - | - | - | - | - | - | - | - | - | - | - |
| Deposit Given | - | 892,500 | - | 9,000,000 | - | - | - | - | - | 1,467,624 | - | - |
| Loans Given | - | - | 280,270,000 | 861,300,000 | 2,500,000 | 560,000,000 | - | - | - | - | - | - |
| Loans Repayment received | - | - | 1,092,670,000 | 160,462,879 | 2,500,000 | 480,000,000 | - | - | - | 80,000,000 | - | - |
| Interest received | - | - | 53,980,705 | 40,287,100 | 9,589 | 44,486,301 | - | - | - | 6,128,501 | - | - |
| Interest paid | 71,918 | - | - | - | - | - | - | - | - | - | - | - |
| Rent Received | - | - | - | - | - | - | - | - | - | 337,080 | - | - |
| Rent/ Lease Rent Paid | - | 40,873,739 | 33,742,183 | 49,463,097 | - | - | - | - | - | 1,220,287 | - | - |
| Subvention Income Received | - | 1,765,744 | - | - | - | - | - | 4,182,083 | - | - | - | - |
| Commission Received | - | - | - | 61,078,692 | - | - | - | - | - | - | - | - |
| Operating expenses incurred by the Company on behalf of the Party | - | 46,900 | 88,868,840 | - | 171,015 | 4,337,472 | - | 4,744,048 | 124,199 | 1,410,765 | - | - |
| Fixed assets / Intangible assets Purchased | - | - | - | - | - | - | - | 298,000 | - | 443,532 | - | - |
| Fixed assets / Intangible assets Sold | - | - | - | 246,909 | - | - | - | - | - | 373,540 | - | - |
| Operating expenses incurred by the Party on behalf of the Company | - | 240,926 | 1,654,532 | 13,812,117 | - | 10,368 | - | - | - | 7,178 | - | - |
| Investments made | - | - | 330,000,000 | 28,112,673 | - | - | - | - | - | - | - | - |
| Equity Shares issued | - | - | - | - | - | - | - | - | - | - | - | 112,635,000 |
| License Fees | - | 30,000,000 | - | - | - | - | - | - | - | - | - | - |
| Directors Remuneration | - | - | - | - | - | - | - | - | - | - | 22,796,667 | 25,273,236 |
| Net assets transferred pursuant to the Scheme of demerger | - | - | 1,629,972,781 | - | - | - | - | - | - | - | - | - |
| Closing Balances : Receivable / (Payable) | | | | | | | | | | | | |
| Inter corporate deposits granted/ (taken) | (250,000,000) | - | 26,700,000 | 853,909,766 | - | - | 80,000,000 | - | - | - | - | - |
| Advances recoverable in cash or kind/ Sundry creditors (net) | (5,673,783) | (25,291,121) | (168,767,295) | 11,360,253 | (10,228) | (3,660) | 2,909,902 | (9,639,045) | - | - | - | (47,744) |
| Security deposits | - | - | 34,000,000 | 34,000,000 | - | - | - | - | - | - | - | - |

Schedule 16 Notes to Accounts (Contd.)

Annexure 2A to Note C 7 of the Schedule 16 of Notes to Accounts

Transactions with Related parties

Disclosures of Related party transactions more than 10%

(Amount in Rs.)

| Name of the Party | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|---|--------------------------------------|--------------------------------------|
| Purchase of Goods/services | | |
| Future Media India Limited | - | 523,104 |
| Future Generali India Life Insurance Company Limited | - | 781,091 |
| Staples Future Office Products Pvt Ltd | - | 777,943 |
| Pantaloon Retail (India) Limited | 778,340 | - |
| DSA Commission | | |
| Future Capital Financial Services Limited | - | 116,244,005 |
| Marketing & Advertising | | |
| Future Knowledge Resources Limited (formerly PFH Entertainment Limited) | - | 49,339,526 |
| Deposit Given | | |
| Myra Mall Management Company Limited | - | 9,000,000 |
| Loans Given | | |
| Myra Mall Management Company Limited | - | 489,000,000 |
| Future Capital Financial Services Limited | 197,770,000 | 345,200,000 |
| Pantaloon Industries Limited | 150,000,000 | - |
| Home Solutions Retail (India) Limited | 410,000,000 | - |
| Loan Repaid | | |
| Future Capital Financial Services Limited | 435,470,000 | 107,500,000 |
| Pantaloon Industries Limited | 150,000,000 | 300,000,000 |
| Myra Mall Management Company Limited | 600,000,000 | - |
| Home Solutions Retail (India) Limited | 330,000,000 | - |
| Inter corporate deposits | | |
| Pantaloon Retail (India) Limited | 250,000,000 | - |
| Interest received | | |
| Myra Mall Management Company Limited | 18,377,704 | 20,507,011 |
| Future Capital Financial Services Limited | 31,844,059 | 19,636,910 |
| Pantaloon Industries Limited | 18,000,000 | 17,416,438 |
| Home Solutions Retail (India) Limited | 26,486,301 | - |
| Interest paid | | |
| Pantaloon Retail (India) Limited | 71,918 | - |
| Rent Received | | |
| Future Ventures India Limited | - | 337,080 |
| Rent/ Lease Rent Paid | | |
| Pantaloon Retail (India) Limited | - | 40,873,739 |
| Myra Mall Management Company Limited | 27,373,743 | 40,946,824 |
| Future Finance Limited | 6,368,440 | - |
| Subvention Income Received | | |
| Pantaloon Retail (India) Limited | - | 1,744,140 |
| Home Solutions Retail (India) Limited | - | 4,182,083 |

Schedule 16 Notes to Accounts (Contd.)

Annexure 2A to Note C 7 of the Schedule 16 of Notes to Accounts

(Amount in Rs.)

| Name of the Party | For the year ended March 31, 2010 | For the year ended March 31, 2009 |
|--|--------------------------------------|--------------------------------------|
| Operating expenses incurred by the Company on behalf of the Party | | |
| Future Capital Financial Services Limited. | 77,058,215 | 47,705,501 |
| Fixed assets / Intangible assets Purchased | | |
| Home Solutions Retail (India) Limited | - | 298,000 |
| Idiom Designs & Consulting Limited | - | 300,000 |
| Asian Retail Lighting Limited | - | 186,006 |
| Fixed assets / Intangible assets Sold | | |
| Future Capital Investments Advisors Limited | - | 246,909 |
| Future Education Limited | - | 373,540 |
| Operating expenses reimbursed by these Company | | |
| Future Capital Financial Services Limited | - | 11,622,430 |
| Future Capital Investments Advisors Limited | 1,561,170 | - |
| Investments made | | |
| Kshitij Property Solutions Private Limited | - | 5,613,273 |
| Future Capital Credit Limited | - | 22,000,000 |
| Future Capital Financial Services Limited | 330,000,000 | - |
| Net assets transferred pursuant to the Scheme of demerger | | |
| Future Capital Financial Services Limited | 1,629,972,781 | - |
| Equity Shares issued | | |
| Dhanpal Jhaveri, Executive Director | - | 112,635,000 |
| License Fees | | |
| Pantaloon Retail (India) Limited | - | 30,000,000 |
| Directors Remuneration | | |
| Sameer Sain, Vice Chairman and Managing Director | 11,609,611 | 13,941,670 |
| Dhanpal Jhaveri, Executive Director | 11,187,056 | 11,331,566 |
| Closing Balances: | | |
| Loans/ Inter corporate deposits granted/ (taken) | | |
| Myra Mall Management Company Limited | - | 601,022,583 |
| Future Capital Financial Services Limited | - | 252,887,183 |
| Pantaloon Retail (India) Limited | (250,000,000) | - |
| Home Solutions Retail (India) Limited | 80,000,000 | - |
| Ambit Investment Advisory Company Limited | 26,700,000 | - |
| Security deposits | | |
| Myra Mall Management Company Limited | 34,000,000 | 34,000,000 |
| Investments | | |
| Future Capital Financial Services Limited | 330,000,000 | - |
| Advances recoverable in cash or kind/ Sundry creditors (net) | | |
| Pantaloon Retail (India) Limited | - | (25,291,121) |
| Future Capital Financial Services Limited | (173,571,163) | 4,010,976 |
| Future Capital Investments Advisors Limited | - | 5,505,516 |
| Realterm FCH Logistics Advisors Private Limited | - | (10,228) |
| Pantaloon Future Ventures Limited | - | 312,273 |
| Home Solutions Retail (India) Limited | - | 2,597,629 |
| PFH Entertainment Limited | - | (11,391,059) |

Schedule 16 Notes to Accounts (Contd.)

[Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

(Amount in Rs.)

| LIABILITIES SIDE | | |
|-------------------------|---|---|
| 1 | Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid: | Amount Outstanding Amount Overdue |
| a. | Debentures (other than falling within the meaning of public deposits) | |
| | - Secured | - - |
| | - Unsecured | - - |
| b. | Deferred Credits | - - |
| c. | Term Loans | 291,666,665 - |
| d. | Inter-corporate loans and borrowings | 250,000,000 - |
| e. | Commercial Paper | 3,123,874,029 - |
| f. | Public Deposits (Refer note 1 below) | - - |
| g. | Other Loans-Cash credit | 761,283,277 - |
| 2 | Break up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): | |
| a. | In the form of unsecured debentures | - - |
| b. | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - - |
| c. | Other public deposits | - - |
| ASSET SIDE | | |
| 3 | Break up of Loans and Advances including bills receivables [other than those included in(4) below]: | Amount Outstanding |
| a. | Secured | 5,668,833,338 |
| b. | Unsecured | 546,880,597 |
| 4 | Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities | Amount Outstanding |
| i. | Lease Assets including lease rentals under sundry debtors: | |
| | a. Finance Lease | - |
| | b. Operating Lease | - |
| ii. | Stocks on hire including hire charges under sundry debtors: | |
| | a. Assets on hire | - |
| | b. Repossessed Assets | - |
| iii. | Other Loans counting towards AFC activities: | |
| | a. Loans where assets have been repossessed | - |
| | b. Loans other than (a) above | - |
| 5 | Break up of Investments: | Amount |
| | Current Investments | |
| | 1. Quoted | |
| | i. Shares - Equity | - |
| | - Preference | - |
| | ii. Debentures and Bonds | - |
| | iii. Units of mutual funds | - |
| | iv. Government Securities | - |
| | v. Others | - |
| | 2. Unquoted | |
| | i. Shares - Equity | 1,019,561,518 |
| | - Preference | - |
| | ii. Debentures and Bonds | - |
| | iii. Units of mutual funds | 1,823,259,121 |
| | iv. Government Securities | - |
| | v. Others | - |

Schedule 16 Notes to Accounts (Contd.)

| Long Term Investments | | |
|------------------------------|--|---------------|
| 1. Quoted | | |
| i. Shares - Equity | | - |
| - Preference | | - |
| ii. Debentures and Bonds | | - |
| iii. Units of mutual funds | | - |
| iv. Government Securities | | - |
| v. Others | | - |
| 2. Unquoted | | |
| i. Shares - Equity | | 2,415,482,669 |
| - Preference | | - |
| ii. Debentures and Bonds | | 330,000,000 |
| iii. Units of mutual funds | | - |
| iv. Government Securities | | - |
| v. Others | | - |

| 6 Borrower group-wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below): | | | |
|--|--------------------------------|--------------------|----------------------|
| Category | Amount net of provision | | |
| | Secured | Unsecured | Total |
| 1 Related Parties** | | | |
| a. Subsidiaries | - | 31,503,868 | 31,503,868 |
| b. Companies in the same group | - | 80,000,000 | 80,000,000 |
| c. Other than related parties | 5,668,833,338 | 435,376,729 | 6,104,210,067 |
| Total | 5,668,833,338 | 546,880,597 | 6,215,713,935 |

| 7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below) | | | |
|--|--|----------------------|---------------------------------------|
| Category | Market Value/ Break up of fair value or NAV | | Book Value (Net of Provisions) |
| | 1 Related Parties** | | |
| a. Subsidiaries | | 1,705,249,850 | 2,745,482,669 |
| b. Companies in the same group | | 564,327,338 | 1,019,561,518 |
| c. Other than related parties | | 1,823,259,121 | 1,823,259,121 |
| Total | | 4,092,836,309 | 5,588,303,308 |

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

| 8 Other information | | Amount |
|--|--|---------------|
| i. Gross Non-Performing Assets | | |
| a. Related Parties | | - |
| b. Other than related parties | | - |
| ii. Net Non-Performing Assets | | |
| a. Related Parties | | - |
| b. Other than related parties | | - |
| iii. Assets acquired in satisfaction of debt | | - |

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debts.

Schedule 16 Notes to Accounts (Contd.)

Annexure 3 of the Note C19 to the Schedule 16 of Notes to Accounts Schedule to the Balance Sheet of a Non Banking Financial Company

A. Capital to Risk Asset Ratio (CRAR)

| Sr. | Items | Current Year | Previous Year |
|------|----------------------------|--------------|---------------|
| i) | CRAR (%) | 28.97% | 50.35 % |
| ii) | CRAR - Tier I capital (%) | 28.97% | 50.35 % |
| iii) | CRAR - Tier II Capital (%) | - | - |

B. Exposures to real estate sector, both direct and indirect

(Amount in Rs.)

| Sr. | Items | Current Year | Previous Year |
|-------|--|---------------|---------------|
| a) | Direct exposure | | |
| (i) | Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately) | - | - |
| (ii) | Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; | 1,243,000,005 | 702,115,828 |
| (iii) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures | | |
| a. | Residential, | - | - |
| b. | Commercial Real Estate. | - | - |
| b) | Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). | - | - |

C. Maturity pattern of asset and liabilities

(Amount in Rs.)

| | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 months up to 3 months | Over 3 months up to 6 months | Over 6 months up to 1 year |
|-----------------------|---------------------------------|-------------------------------|--------------------------------|------------------------------|----------------------------|
| Liabilities | | | | | |
| Borrowings from banks | 761,283,277 | - | 41,666,667 | 41,666,667 | 83,333,333 |
| | (500,342,466) | (-) | (86,111,111) | (288,473,713) | (283,333,333) |
| Market borrowings | 250,000,000 | 347,540,316 | 245,615,724 | 1,116,061,643 | 1,414,656,346 |
| | (-) | (-) | (-) | 1,426,004,873 | (-) |
| Assets | | | | | |
| Advances * | 275,166,667 | 72,966,667 | 97,366,667 | 2,499,000,003 | 1,149,277,780 |
| | (83,427,802) | (233,979,449) | (83,248,135) | (1,049,116,046) | (1,044,373,124) |
| Investments | 1,823,259,122 | - | - | - | - |
| | (3,166,494,082) | (137,669,990) | (135,286,527) | (384,318,552) | (540,883,405) |
| | | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
| Liabilities | | | | | |
| Borrowings from banks | | 124,999,998 | - | - | 1,052,949,942 |
| | | (2,091,666,667) | (55,555,556) | (-) | (3,305,482,845) |
| Market borrowings | | - | - | - | 3,373,874,029 |
| | | (-) | (-) | (-) | (1,426,004,873) |
| Assets | | | | | |
| Advances * | | 1,919,755,554 | - | - | 6,013,533,338 |
| | | (2,000,449,689) | (101,599,668) | (1,062,510,734) | (5,658,704,646) |
| Investments | | - | - | 3,765,044,186 | 5,588,303,308 |
| | | (-) | (-) | (1,807,069,423) | (6,171,721,979) |

* Represents interest bearing loans and inter corporate deposits.

Figures in bracket relate to previous year.

Information on the financials of the subsidiary companies

Information on the financials of the subsidiary companies for the year ended March 31, 2010

[Prepared in compliance with the requirements of the exemption letter(s) of the Ministry of Corporate Affairs, Government of India]

(Amount in Rupees)

| Name of the Subsidiary Company | Ambit Investment Advisory Company Limited | Myra Mall Management Company Limited | Future Hospitality Management Limited | Kshitiij Investment Advisory Company Limited | Future Capital Investment Advisors (Formerly Indivision Investment Advisors Limited) | Future Finance Limited | Future Capital Financial Services Limited | Kshitiij Property Solutions Private Limited | Axon Development Solutions Limited |
|--|---|--------------------------------------|---------------------------------------|--|--|------------------------|---|---|------------------------------------|
| The financial year of subsidiary ended on | March 31, 2010 | March 31, 2010 | March 31, 2010 | March 31, 2010 | March 31, 2010 | March 31, 2010 | March 31, 2010 | March 31, 2010 | March 31, 2010 |
| Capital | 22,500,000 | 10,000,000 | 500,000 | 30,000,000 | 22,500,000 | 107,500,000 | 261,250,000 | 6,840,000 | 500,000 |
| Reserves | (4,149,420) | 29,541,676 | (339,227) | 123,616,124 | 92,467,028 | 17,474,852 | 987,554,293 | (1,990,490) | (514,987) |
| Total assets | 46,993,426 | 842,067,662 | 216,163 | 170,508,642 | 124,034,481 | 125,480,438 | 9,068,687,873 | 9,661,749 | 40,204 |
| Total liabilities | 46,993,426 | 842,067,662 | 216,163 | 170,508,642 | 124,034,481 | 125,480,438 | 9,068,687,873 | 9,661,749 | 40,204 |
| Investments (except in case of investment in subsidiaries) | 46,903,194 | 60,000,000 | - | 65,018,945 | 58,987,755 | 17,409,912 | 7,876,802 | - | - |
| Turnover | 1,239,381 | 122,386,148 | - | 237,232,429 | 139,388,545 | 12,283,640 | 1,511,858,550 | 7,646,169 | - |
| Profit before tax | (2,937,591) | 47,087,384 | (74,418) | 106,150,001 | 53,245,775 | 11,070,393 | 173,212,863 | (1,744,116) | (75,624) |
| Provision for tax | 1,369,564 | (6,790,361) | - | 35,679,661 | 14,378,683 | 3,319,579 | (75,813,278) | - | - |
| Profit after tax | (4,307,155) | 53,877,745 | (74,418) | 70,470,340 | 38,867,092 | 7,750,814 | 249,026,141 | (1,744,116) | (75,624) |
| Proposed dividend | - | - | - | - | - | - | - | - | - |

Notes :

- The Ministry of Corporate Affairs has vide its letter(s) bearing No. 47/25/2010-CL-III dated January 13, 2010 exempted the Company from attaching to its Balance Sheet, certain information in respect of its subsidiaries specified in Section 212(1) of the Companies Act, 1956.
- The annual accounts of the subsidiary companies are available for inspection at the Registered Office of the Company.