



**Annual Report
2008 - 2009**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. G.N. Bajpai

Managing Director

Mr. Kishore Biyani

Directors

Mr. Sameer Sain

Mr. Dhanpal Jhaveri

Mr. Anil Harish

Mr. Rakesh Jhunjhunwala

Mr. Pankaj Thapar *(Appointed as an Additional Director w.e.f. 16th July, 2009)*

Mr. B. Anand *(Appointed as an Additional Director w.e.f. 16th July, 2009)*

VICE PRESIDENT – FINANCE

Mr. Ashutosh Vidwans

COMPANY SECRETARY & HEAD-LEGAL

Mr. Manoj Gagvani

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells

BANKERS

YES Bank Limited

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai- 400 060.

Tel No.: (022) 3084 2200

Fax No.: (022) 3084 2201

Email ID : investor.care@futureventures.in

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

(formerly known as Intime Spectrum Registry Limited)

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078

Tel No.: (022) 2596 3838

Fax No.: (022) 2594 6969

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NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Future Ventures India Limited will be held at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai- 400 060 on Wednesday, the 30th September, 2009 at 4.00 p.m to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009, the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Sameer Sain, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Dhanpal Jhaveri, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Audit Committee of the Board of Directors be and is hereby authorised to fix their remuneration for the said period and reimbursement of out of pocket expenses as may be incurred in performance of their duties."

SPECIAL BUSINESS:

5. Appointment of Mr. Pankaj Thapar as a Director.

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

"RESOLVED THAT Mr. Pankaj Thapar who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a Member in writing under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Pankaj Thapar for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation."

6. Appointment of Mr. B. Anand as a Director.

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

"RESOLVED THAT Mr. B. Anand who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a Member in writing under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. B. Anand for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation."

7. Place of keeping and inspection of, registers and returns otherwise than at the Registered Office of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force consent be and is hereby accorded to the Company to keep the Register of Members, Index of Members, the Register and Index of Debenture holders and copies of all annual returns prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto and such other registers, returns, deeds and documents as may be permissible in terms of the said provisions (collectively "Registers and Returns"), at the office of the Registrar and Share Transfer Agent of the Company viz. Link Intime India Private Limited, at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 (hereinafter the "R & T Agent") and/or at such other place(s) where the R & T Agent may shift their office from time to time and such other place(s) within the city of Mumbai, as may be agreed to by the Company.

RESOLVED FURTHER THAT the said Registers and Returns be kept open for inspection at the office of R & T Agent by the persons entitled and in the manner prescribed under Section 163(2) of the Companies Act, 1956 between 11 a.m to 1.00 p.m. on all working days (except when the Register of Members and/or Debenture holders is closed under the provisions of the Companies Act, 1956 or under any other applicable provisions) in terms of the provisions of the Companies Act, 1956 and/or the Articles of Association of the Company.

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(Formerly Subhikshith Finance and Investments Private Limited)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to mean and include any Committee or Representatives thereof, for the time being exercising the powers conferred on the Board of Directors by this resolution), be and is hereby authorised to decide about the registers, indexes, returns and other documents to be kept and the period in respect of which the same be kept, at the office of the R & T Agent, and settle all matters arising out of and incidental to the above, and to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give effect to this resolution."

By Order of the Board of Directors

Manoj Gagvani
Company Secretary & Head-Legal

Date: September 4, 2009

Registered Office:

Knowledge House,
Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai-400 060.

NOTES:

- a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business set out in the Notice, wherever applicable, is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- c) Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- d) Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- e) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f) Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
- g) All correspondences may be addressed to:
Mr. Manoj Gagvani- Company Secretary & Head (Legal)
Future Ventures India Limited,
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400 060.
Email : manoj.gagvani@futureventures.in
- h) Members desirous of obtaining any information as regards Accounts are requested to write to the Company at least one week before the meeting so that the information required will be made available at the meeting.
- i) Documents referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company situated at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai- 400 060 on all working days between 11.00 a.m and 1.00 p.m. upto the date of Annual General Meeting.
- j) Members/ Proxies are requested to bring the Attendance Slip duly filled in.

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

ITEM NOS. 5 and 6: Appointment of Mr. Pankaj Thapar and Mr. B. Anand as Directors of the Company.

The Board of Directors of the Company have at their meeting held on 16th July, 2009 appointed Mr. Pankaj Thapar and Mr. B. Anand as Additional Directors of the Company with effect from 16th July, 2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the Articles of Association of the Company, the aforesaid Directors shall hold office only upto the date of this Annual General Meeting.

Individual Notices pursuant to Section 257 of the Companies Act, 1956, have been received from Member(s), signifying their intention to propose the appointment of Mr. Pankaj Thapar and Mr. B. Anand, as Directors of the Company.

A brief profile of respective Directors seeking appointment at this Annual General Meeting is attached to this Notice. The Board of Directors is of the view that knowledge and expertise of aforesaid Additional Directors will be of immense benefit and value to the Company and therefore recommend individual Resolutions under Item No. 5 and 6 set out in this Notice for your approval.

Mr. Pankaj Thapar and Mr. B. Anand are interested in the respective Resolutions relating to their appointment. None of the other Directors of the Company are interested in these Resolutions.

ITEM NO. 7: Place of keeping and inspection of, registers and returns otherwise than at the Registered Office of the Company.

The Company has been maintaining its Register of Members, Index of Members, the Register and Index of Debenture holders and copies of all annual returns prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto and such other registers, returns, deeds and documents as may be permissible in terms of the said provisions (collectively "Registers and Returns"), at its Registered Office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

By an Agreement dated 28th May, 2009, the Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent having its office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 ("R & T Agent").

The Board of Directors of the Company have at their meeting held on 4th September, 2009, consented to keep the Registers and Returns and other documents prescribed under Section 163 of the Companies Act, 1956, at the office of R & T Agent at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 or such other place(s) where the R & T Agent may shift its office from time to time and such other place(s) within the city of Mumbai as may be agreed to by the Company.

In terms of the provisions of Section 163 of the Companies Act, 1956, approval of the Members by a Special Resolution is required, to keep the Registers and Returns at any other place within the city, where the Registered Office of the Company is situated instead of being kept at the Registered Office of the Company as at present. Accordingly, approval of Members is being sought by a Special Resolution as set out under Item No. 7 of the Notice calling this Annual General Meeting, for maintaining the Registers and Returns at the office of R & T Agent as mentioned above or any other place(s) within the city of Mumbai.

The Board of Directors recommend passing of the Special Resolution at Item No. 7 of this Notice.

None of the Directors of the Company are in any way concerned or interested in the proposed Resolution.

By Order of the Board of Directors

Manoj Gagvani
Company Secretary & Head-Legal

Date: September 4, 2009

Registered Office:

Knowledge House,
Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai-400 060.

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DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING TO BE HELD ON 30TH SEPTEMBER, 2009.

Name of Director	SAMEER SAIN	DHANPAL JHAVERI	PANKAJ THAPAR	B. ANAND
Date of Birth	5.11.1970	20.12.1968	19.1.1962	12.3.1964
Date of Appointment	28.01.2008	28.1.2008	16.7.2009	16.7.2009
Qualifications	Graduate in Commerce from University of Bombay and a bachelor's degree in Business Administration from the University of Massachusetts at Amherst. Also holds a Master Degree in Business Administration from Cornell University.	Bachelor of Commerce from the University of Mumbai and Masters of Business Administration from Babson College, Graduate School of Business in the United States.	Graduate in Commerce from Shriram College of Commerce, New Delhi and Masters in Business Administration from the University of Delhi.	Bachelor of Commerce and Chartered Accountant.
Expertise in Specific Functional Area	Was head of Institutional Wealth Management and Special Investments Group (International). Has over 11 years of experience with Goldman Sachs in New York and London.	Over 15 years of experience in Corporate Finance and Strategy.	Over 25 years of experience in Corporate Finance, Capital Markets and Business Restructuring Former Group CFO of Dentsu (India and Middle East). Previously in Corporate Finance roles with ICICI, Citibank, ANZ Grindlays and Coca Cola.	Over 20 years of experience in Corporate Finance.
Directorships held in other companies (As on March 31,2009)	1.Future Capital Holdings Limited 2.Future Capital Investment Advisors Limited (<i>formerly known as Indivision Investment Advisors Limited</i>) 3.Kshitij Investment Advisory Company Limited 4.Future Finance Limited 5.VLCC Health Care Limited 6.Centrum Capital Limited	1.Future Capital Holdings Limited 2.Future Finance Limited 3.Centrum Capital Limited 4.Future Capital Credit Limited (<i>formerly known as Black Diamond Finance Limited</i>)	1.New Age Investment Advisors Limited 2.Future Finance Limited 3.Aadhaar Retailing Limited 4.Future Capital Credit Limited (<i>formerly known as Black Diamond Finance Limited</i>)	Nil

DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING TO BE HELD ON 30TH SEPTEMBER, 2009.

Name of Director	SAMEER SAIN	DHANPAL JHAVERI	PANKAJ THAPAR	B. ANAND
Chairman/ Member of the Committee(s) of the Board of Directors of other the companies (As on March 31,2009)	Future Capital Holdings Limited 1. Shareholders/ Investors Grievance Committee and Share Transfer Committee – Member	Future Finance Limited 1. Audit Committee – Member	Future Finance Limited 1. Audit Committee – Member	Nil
Shareholding Directors	Nil	Nil	Nil	Nil
Relationship between Directors inter-se	None	None	None	None

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 13th Annual Report and the Audited Accounts of Future Ventures India Limited ("FVIL" or "Company"), for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone) of the Company for 2008-09 and 2007-08, is given below:

	2008-09	2007-08
	(Rs in lacs)	
Income from Operations	(310.47)	508.24
Other Income	8.14	0.27
Total Income	(302.33)	508.51
Profit before Depreciation & Tax	(1000.16)	(402.92)
Less: Depreciation	12.75	2.14
Profit before Tax	(1012.91)	(405.05)
Less: Provision for Tax	(0.41)	26.43
Profit After Tax	(1012.50)	(431.48)
Add: Profit brought forward from previous year	(426.00)	5.48
Profit available for appropriation	(1438.50)	(426.00)
Transfer to Statutory Reserve	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance carried to Balance Sheet	(1438.50)	(426.00)

BUSINESS OVERVIEW

Your Company believes that the scope and potential of the Indian economy in general and the domestic consumption sector is characterized by some irreversible trends. These include a young demographic profile, increasing consumer aspirations, growing middle class in urban areas and the growth in the rural economy. In line with its organizational mandate, your Company has during the past twelve months focused on leveraging these irreversible trends in order to create Stakeholder value.

The last twelve months were also characterized with an unprecedented economic turmoil that tested managerial, strategic and leadership skills across organizations. Your organization rose up to the challenge by taking significant steps to secure, preserve and enhance its economic value creation. At the same time, we believed that in times of adversity there lie unforeseen opportunities as well. Your Company went ahead with fresh investments in five companies that it believes to hold immense potential in the niche areas that they operate in.

In the past, we had leveraged on a couple of key trends in the consumption economy in India. Few can disagree that the rural economy in India provides vast untapped opportunity. Keeping this in mind, the Company had acquired a controlling stake in Aadhaar Retailing Limited, that is focused on tapping the consumption potential in rural India. During the past twelve months the Government has come up with an unprecedented number of measures that seek to invest and build the rural economy. Aadhaar Retailing Limited, may benefit from these measures by tapping into growing investments and spends in rural India.

With increased consumer aspirations, we believe that one of the key consumption categories that have seen sustained growth is fashion and apparels. Fashion is considered to be among the most organized and fastest growing categories in modern retail. It is also a segment wherein your Company has significant investments in various fashion brands, manufacturers and retailers. Continuing on this theme, your Company during the last year invested in three well known fashion brands – one engaged in designer womenswear, another is a menswear brand and third is the Indian operations of a French brand.

Environmental sustainability and increased awareness on social challenges has been a growing phenomenon in the past couple of years. Such causes and awareness is today influencing consumer choice. In order to support and build upon this trend, your Company invested in a retail chain, "Mother Earth" which is positioned as a 'one-stop solution' for environmentally sensitive products and products made by rural artisans and other self help groups.

While the Indian economy has also seen stress during these times, more than 50% share of domestic consumption in the GDP is a source of great strength. Your Board is of the view that India, and especially consumption focused businesses in

India, are less impacted by the global crisis and have the potential to sustain growth on the strength of robust domestic consumption.

BUSINESS VENTURES

Your Company seeks to create, build, acquire, invest in and operate innovative and emerging businesses in India's rapidly growing "consumption-led" sectors, which we define as sectors whose growth and development will be determined primarily by the growing purchasing power of Indian consumers and their changing tastes, lifestyle and spending habits.

Further, your Company expects to derive benefits from its strategic relationship with the Future Group, which is the largest consumption focused group in India.

Your Company has access to the expertise of the Future Group's extensive nationwide distribution network and retail chains, consumer insights, domain expertise / knowledge and talented management team, which can be effectively leveraged in evaluating, monitoring, supporting and mentoring its Business Ventures.

In furtherance of its philosophy of creating successful Business Ventures in the consumption space, your Company has, till the date of this Report, made investments in twelve Business Ventures.

Some of the Business Ventures which your Company had acquired in the fiscal year ended March 2008 have shown robust performance by overcoming the challenging economic and business environment. This has been possible by leveraging the support, leadership, experience and long term vision of the Future Group.

Aadhaar Retailing Limited ("ARL"): ARL, which is 70% owned by your Company and 30% by the Godrej Group, is in the business of rural and semi-urban retail distribution of agricultural and consumer products for personal and household use under the brand name "Godrej Aadhaar". Over the years, ARL's stores have transitioned from retailing agricultural products to a multi-category service cum retail store focusing on apparel, food, groceries and consumer durables.

In recognition of the growing market in rural and semi-urban areas, in March 2008, your Company purchased a 70% stake in ARL for Rs. 30.10 crore.

Rural markets comprise about 45% of India's GDP. Further, rural India accounts for around 70% of India's households and around 40% of the total consumption pie. Your Company has invested in ARL as it believes that ARL can potentially leverage the fast growing rural consumption sector in the country, thus providing Future Group an opportunity to expand its footprint into rural retailing.

ARL has shown robust growth in the current fiscal - its revenue has increased from Rs 5 crore for year ended March 2008 to Rs 123 crore for year ended March 2009. Currently, ARL has 62 stores across northern and western India, supported by over 650 employees.

Biba Apparels Private Limited ("BAPL"): BAPL focuses on women's apparel business and has an established presence in the women's ethnic wear segment in India.

In October 2007, your Company acquired from Future Capital Holdings Limited 6.53% of the equity share capital and 7,000 Fully Convertible Debentures of Rs.10,000/- each for Rs. 13.15 crore. Your Company believes that the women's apparel market is a large and growing segment of the apparel industry, and the Future Group can provide support to permit BAPL to grow its business even faster. The Future Group has helped BAPL enter into retailing new categories of apparel, build its brand and increase its publicity efforts. The Future Group has also helped BAPL develop MIS to enable more effective reporting and improve operational efficiency.

BAPL income has increased 54% over last year, to Rs 103 crore for year ended March 2009. Standalone BAPL outlets have grown from 29 in March 2008 to 41 in March 2009.

Indus League Clothing Limited ("Indus League"): Indus League designs and manufactures ready-made garments through various brands, such as Indigo Nation, John Miller, Scullers, Urbana, Urban Yoga and Jealous.

Apparel and accessories account for the largest chunk of India's modern retailing business - almost 39% of the approximately Rs 58,000 crore organized retail market. In March 2008, your Company acquired approximately 14% stake in Indus League for Rs. 50.05 crore. We believe that Indus League is well positioned to grow its ready-made garment business rapidly, by leveraging Future Group's retail expertise and nationwide footprint.

Indus League income was Rs. 228 crore for year ended March 2009. As at July 31, 2009, Indus League has 77 retail outlets and 60 multi-brand outlets across the country.

Lee Cooper (India) Private Limited ("Lee Cooper"): Lee Cooper is a manufacturer and retailer of denims, trousers, jackets, shirts under the internationally renowned "Lee Cooper" brand. Lee Cooper has a 15 year exclusive license to manufacture and market Lee Cooper branded products in India.

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In March 2008, your Company acquired 21.7% of the equity share capital and 50% of the preference share capital of Lee Cooper for Rs. 23.99 crore. Your Company has invested in Lee Cooper as it believes that there is a large domestic market for branded apparels with the rising per capita income in India. Further, your Company believes that it has the potential to grow the Lee Cooper business by leveraging Future Group's domain expertise and nationwide footprint.

Lee Cooper income has increased by 27% vs. last year to Rs 69 crore for year ended March 2009. Lee Cooper has 4 standalone stores, 44 cut-ins in Pantaloon Mega Stores and 40 cut-ins in Big Bazaar stores. Lee Cooper plans to open cut-ins in all the new Pantaloon Mega Stores and Big Bazaar stores across India, in addition to more stand-alone stores.

Footmart Retail (India) Limited ("Footmart"): Footmart was a joint venture between Pantaloon Retail (India) Limited ("Pantaloon") and Liberty Shoes Limited ("Liberty") to retail footwear and related products.

In March 2008, your Company acquired 50% of the equity share capital of Footmart from Pantaloon for Rs 6.05 crore. India has a huge domestic footwear market, which is largely untapped. Your Company believes that we can leverage the Future Group's nationwide retail footprint and Liberty's expertise in footwear design, sourcing and manufacturing to capitalize on this opportunity in footwear retailing.

During March 2009, the Future Group has taken over responsibility for operational management of Footmart from Liberty. With Future Group's assistance, Footmart has positioned its flagship format, "Shoe Factory", in the value segment. Footmart is also planning to introduce a new retail format targeted at the lifestyle segment.

Footmart has cautiously grown its income to Rs 20 crore for year ended March 2009 from Rs 17 crore for year ended March 2008. Currently, the company has 3 standalone stores and 109 cut-ins inside Big Bazaar stores.

Sankalp Retail Value Stores Private Limited ("Sankalp"): Sankalp is the Indian franchisee of Dollar Store International and is modeled along the Dollar Store concept of selling all its products at a single price. The merchandising range includes food, personal care products, cleaning products and general merchandise.

In October 2007, your Company acquired 28.40% of the equity share capital of Sankalp for Rs. 20 crore. In March 2008, your Company invested a further Rs 10 crore in convertible preference shares of Sankalp.

Your Company believes that variety store is an established and growing format internationally. Sankalp has successfully implemented a niche business model that has addressed some important attributes sought by the Indian consumer. Your Company believes that Future Group has significant ability to add value to Sankalp. It plans to help Sankalp grow its business by leveraging Future Group's product sourcing abilities and nationwide footprint.

However, the global economic crisis has adversely impacted Sankalp. In the current fiscal year, Sankalp has closed down some stores to optimize its operations. Thus, its income has decreased to Rs 41 crore for year ended March 2009 from Rs 49 crore for year ended March 2008. However, we believe that this is a temporary phenomenon, and Sankalp's business model as well as growth plans remain intact. Currently, the company has 3 standalone stores and 4 cut-ins in Big Bazaar stores.

SSIPL Retail Private Limited ("SSIPL"): SSIPL is a retailer of Nike products, a wholesaler of multi-brand footwear, sportswear and apparel and a manufacturer and distributor of footwear. In December 2007, your Company acquired 5.56% of the equity share capital of SSIPL for Rs. 10 crore.

Your Company believes that there is strong growth potential in businesses focused on domestic consumption opportunities. Investing in such businesses would offer long term sustainable returns. In line with this view, during the current year, your Company has made investments in the following Business Ventures:

AND Designs India Limited ("AND Designs"): AND Designs caters to the women's apparel market, with focus on western wear. AND Designs was promoted in 1995 by Anita Dongre, a well known designer, as a manufacturer and supplier of apparel to retail stores. The company opened its first retail store and launched its prêt line "AND" in 1999. Following the success trail of the 'AND' brand, the company launched a premium label, 'Anita Dongre Inter Pret', a mix and match western wear fashion brand, 'Anita Dongre Timeless', a custom made occasion wear and 'Globaldesi', international fusion wear. Today, AND Designs brands have become a popular name in women's designer apparel.

In November 2008, your Company invested Rs. 5.73 crore to acquire approximately 15% of the equity share capital of AND Designs and fully convertible debentures. Your Company believes that women's apparel market is booming in India and that Future Group can add significant value to grow the AND Designs business. Post investment, Future Group has helped AND Designs improve its visibility and reach to customers by providing them access to the Future Group's nationwide footprint.

AND Designs income has increased 40% vs. last year to Rs 26 crore for year ended March 2009. As of June 2009, it has 17 standalone stores and presence in 89 Multi Brand Outlets, supported by 269 employees.

Indus Tree Crafts Private Limited ("Industree"): Industree is in the business of design, creation, retailing, distribution and export of handicraft products, furniture, toys and accessories that are hand crafted by rural artisans. The promoters of Industree have more than 50 years of experience in the crafts sector.

Industree sources its products from a network of over 100 producer groups, providing them with contemporary designs. As member of International Fair Trade, it has links with over 3,000 artisans and directly employs about 160 people.

In December 2008, your Company acquired an approximately 43% stake in Industree for Rs 6.57 crore. Your Company has invested in Industree as we expect it to be able to successfully tap the large market in India and overseas for aesthetic and affordable products created by blending indigenous crafts techniques with contemporary designs.

Due to the global economic crisis, Industree's export market has been impacted, as a result of which its revenue has declined to Rs 3.5 crore for year ended March 2009 from Rs 4.4 crore for year ended March 2008. However, we believe that this is a temporary phenomenon and the long term potential of the business remains intact.

Currently, it has 3 standalone stores, one each in Bangalore, Delhi and Kolkata and presence in various Multi Brand Outlets. With support from the Future Group, Industree has expanded its business to include retailing of a wide variety of handicrafts covering apparel, food, home linen, home décor and furniture categories. It has also re-branded its products under the 'Mother Earth' brand and re-positioned its stores as a 'one stop solution' for customers aspiring to an environmentally and socially sustainable lifestyle. In the near term the company plans to increase its footprint in Tier 1 and Tier 2 cities with a target of having around 30 stores.

Turtle Limited ("Turtle"): Turtle is a Kolkata based manufacturer, distributor, exporter and retailer of menswear brands, providing value and international style across a range of products - shirts, T-shirts, trousers and accessories like ties, cufflinks and handkerchiefs.

In December 2008, your Company acquired a 26% stake in Turtle for Rs 11.33 crore.

Your Company believes that Future Group has significant potential to help Turtle grow its business by providing access to its retail expertise and nationwide footprint.

Turtle's revenue has increased 25% vs. last year to Rs 65 crore for year ended March 2009. Currently, Turtle has 32 standalone outlets i.e. 'Turtle World', a wide presence across the country through 1,250 Multi Brand Outlets and 54 shop in shops and an employee base of 710.

Celio Future Fashions Limited ("Celio"): Celio is a joint venture between your Company and Celio International, a leading French men's apparel and accessories retailer. It is in the business of retailing men's apparel and accessories in the Indian market.

Celio International is based in France and caters primarily to the Continental European market, aiming to provide fashionable, affordable clothing through its nearly 400 points of presence across 25 countries.

In December 2008, your Company acquired approximately 50% stake in the equity share capital of Celio for Rs 7.02 crore. Your Company believes that there is a huge potential for international brands in the Indian market, as preference for international brands increases in the growing middle class swells. Your Company intends to capitalize on this opportunity and grow Celio's business by leveraging Future Group's retail expertise and nationwide footprint.

As of June 2009, Celio has 5 standalone stores and 27 shop in shops across metros and Tier 1 cities. Celio plans to rapidly expand its footprint in the urban and semi-urban regions of India.

Star Shopping Centres Private Limited ("Star Shopping"): Star Shopping was incorporated in November 2008 to provide consultancy services related to conceptualization, research & analysis, planning, designing & architecture of malls, mall management as well as marketing and sub-leasing of malls.

Your Company believes that with the growth of organized retail in India, retail-led real estate and mall management will become important, and these skills will be in high demand as they become a critical differentiator for success in modern retail. In April 2009, your Company acquired a 60% stake in Star Shopping for Rs 3.0 crore and plans to invest further Rs 2.0 crore in the business.

BUSINESS OUTLOOK

Your Directors believe that there are a number of business opportunities in the consumption-led sectors in India, which are currently available at reasonable valuations due to the stress created by the global economic crisis. We believe that the long term growth story in India is intact and the Indian economy will gradually move back to high growth, with gradual recovery

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

commencing in the second half of the calendar year 2009.

Your Company will focus on providing capital to Indian Entrepreneurs across various industries and at various stages of growth. We also intend to focus on opportunities in sectors where the prevalent Indian regulatory regime results in preferred or exclusive access for Indian businesses and entrepreneurs.

Your Company continues to evaluate business opportunities on an on-going basis and will invest in such opportunities that further its consumption philosophy and seek to generate long term sustainable returns for its investors.

DIVIDEND

In view of the loss incurred during the year, your Directors have not recommended any dividend on equity shares for the financial year under review.

Initial Public Offering ("IPO") of Equity Shares

During the last fiscal, your Company had filed a Draft Red Herring Prospectus with Securities and Exchange Board of India ("SEBI") for the purpose of making a public issue of 373,61,56,300 equity shares on which SEBI came out with its observations in the month of September, 2008. However, due to the unprecedented turmoil in the financial market created by the then prevailing global economic crisis, the investment bankers had advised your Company to not proceed with the proposed public offer.

With the recent signs of stability in the financial markets, your Company has revived its efforts to launch an IPO and will approach the markets at an appropriate time.

SUBSIDIARY COMPANY

During the year under review, your Company has one subsidiary – Aadhaar Retailing Limited.

In terms of the exemption granted by the Ministry of Corporate Affairs ("MCA") under Section 212(8) of the Companies Act, 1956, the copy of balance sheet, the profit and loss account, report of the Board of Directors and that of the Auditors of the subsidiary company have not been attached to the Balance Sheet of your Company. The annual accounts and related information in respect of the subsidiary company will be made available upon a request received from the Shareholders interested in obtaining the same. These documents are also available for inspection at the registered office of the Company and that of the subsidiary.

Consolidated Financial Statements made in accordance to the Accounting Standard (AS-21) form part of this Annual Report. Additional information required to be provided in terms of the exemption granted by the MCA is available under the head 'Financial Information of Subsidiary Company' attached to this Annual Report.

During the current financial year, Star Shopping Centres Private Limited has become a subsidiary company with effect from 6th April, 2009.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the year under review, the Company has pursuant to the order passed by the Company Law Board, Chennai Bench, shifted its Registered Office from the State of Tamil Nadu to the State of Maharashtra. The Registered Office of the Company is now situated at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060. Consequent to the change in Registered Office of the Company, Reserve Bank of India, Mumbai has granted a fresh Certificate of Registration bearing No. B-13.01945 dated 13th August, 2009.

COMPLIANCES

Your Company is a Non-Deposit Accepting or Holding Systemically Important Non-Banking Finance Company ("SI-ND-NBFC") and is in compliance to the applicable regulations prescribed by the Reserve Bank of India. On an application made by the Company, Reserve Bank of India has granted provisional exemption to the Company from compliance to thresholds prescribed under Para 18 of the Prudential Norms in respect of concentration of credit/investment norms.

Your Company is in compliance with applicable regulations of Reserve Bank of India.

PUBLIC DEPOSITS

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

DIRECTORS

Mr. Pankaj Thapar and Mr. B. Anand were appointed as Additional Directors on the Board of Directors of the Company with effect from 16th July, 2009. In accordance to the provisions of Section 260 of the Companies Act, 1956, the Additional Directors so appointed shall hold office only upto the date of the ensuing Annual General Meeting. Individual notices proposing candidature for office of aforesaid Directors have been received from Member(s) of the Company in accordance with the provisions of Section 257 of the Companies Act, 1956.

Mr. Sameer Sain and Mr. Dhanpal Jhaveri retire from the Board of Directors of the Company by rotation and being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting.

The Notice convening the ensuing Annual General Meeting includes the proposals for appointment / re-appointment of aforesaid Directors.

None of the Directors are disqualified for appointment / re-appointment under Section 274(1)(g) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company adheres to good Corporate Governance practices. It has, in terms of the requirements of Reserve Bank of India, formed various committees providing adequate terms of reference to demonstrate high level of transparency, accountability and disclosures in respect of the Company's operations.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Associates and Accounting Standard AS-27 on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statements have been prepared on the basis of audited financial statements received from the subsidiary company and the joint ventures, as approved by their respective Board of Directors.

AUDITORS AND AUDITORS REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company hold office until conclusion of the ensuing Annual General Meeting. The Statutory Auditors have expressed their willingness to continue if so appointed, and have issued a certificate to the Company as required under Section 224 (1B) of the Companies Act, 1956, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

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 31st March, 2009, 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 the profit of the Company for that period ;
- (iii) that the Directors had 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 ended 31st March, 2009, on a going concern basis.

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PARTICULARS OF EMPLOYEES

In accordance with 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 an Annexure to the Directors' Report. However as per the provisions of the Section 219 (1) (b) (iv) of the said Act, the Directors' Report excluding the aforesaid information is being sent to all the Shareholders of the Company and other entitled thereto. Shareholders who are interested in obtaining such particulars may write to the Company at its Registered Office.

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

The requirement for disclosure in respect of 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 is not applicable to the Company. However the Company takes all possible efforts towards energy conservation.

The requirement of disclosure with regard to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology.

The details in respect of Foreign Exchange outgo during the year under review, is provided as Note No. 8 in Notes to Accounts under Schedule 10 forming part of the Balance Sheet and Profit and Loss Account.

ACKNOWLEDGEMENT

Your Directors would like to thank and place on record their appreciation for the support and co-operation provided to your Company by its Shareholders, Future Group entities, and in particular, their employees, regulatory authorities and its bankers. Your Directors would also like to place on record their appreciation of the efforts put in by employees of the Company during the year.

On behalf of the Board of Directors

Kishore Biyani
Managing Director

Dhanpal Jhaveri
Director

Date: September 4, 2009
Place: Mumbai

Auditors' Report to the Members of Future Ventures India Limited

1. We have audited the attached Balance Sheet of Future Ventures India Limited as at 31st March 2009, the Profit and Loss Account and also 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 in Paragraph 3 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) Without qualifying our opinion, we draw attention to Note No. II (3) in Schedule 10 regarding diminution in the value of investments of certain associates and joint venture which, in the opinion of the management, is considered temporary in nature and accordingly, no provision is considered necessary.
 - (v) 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.
 - (vi) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vii) 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 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

Date: September 4, 2009

M.K. Ananthanarayanan
Partner
Membership No. 19521

Future Ventures India Limited
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Annexure referred to in Paragraph 3 of our report of even date

1. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - (c) The company has not disposed off, any Fixed assets during the year.
2. The Company has no inventories and hence, the question of physical verification and valuation thereof does not arise.
3.
 - (a) The Company during the year has granted loans to three company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 696,300,000 and the amount outstanding at the year end is Rs. 290,000,000. The rate of interest and other terms and conditions on which the loan was granted is not prima facie prejudicial to the interest of the Company. The party is regular in repaying the principal amount as stipulated and has been regular in the payment of interest and there is no overdue amount.
 - (b) Apart from the above, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal controls. During the year, the company has not purchased any inventory and has not sold any goods.
5. According to the information and explanations given to us, the contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 which are exceeding the value of rupees five lakhs (excluding loan reported under paragraph 3(a) above).
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, though the Company does not have a formal internal audit system, the Company's internal control procedures are commensurate with the size of Company and nature of its business.
8. The provisions of Section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of Cost records is not applicable to the Company.
9. Statutory and other dues:
 - a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities during the year.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Cess and other statutory dues were in arrears, as at 31st March 2009 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Income Tax, Service Tax and Cess which has not been deposited on account of any dispute.
10. In our opinion, the accumulated loss of the Company is not more than fifty percent of its net worth. The Company has incurred cash losses during the current year and in the immediately preceding financial year.
11. According to the information and explanations given to us by the management, there were no dues to banks, financial institutions or debenture holders.
12. Based on our examination of documents and records, we are of the opinion that adequate documents and records have been maintained in respect of loans or advances granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. 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 are not applicable to the Company.

14. In our opinion, the Company has maintained proper records in respect of transactions and contracts and timely entries have been made therein in respect of dealing in or trading in shares, securities, debentures and other investments, which are held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. In our opinion, the Company has not availed any term loans during the year.
17. 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.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells

Chartered Accountants

Place: Chennai

Date: September 4, 2009

M.K.Ananthanarayanan

Partner

Membership.No.19521

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

Balance Sheet as at 31st March 2009

	Schedule	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
Sources of Funds			
Shareholders' Funds			
Share Capital	1	3,688,437,000	3,638,437,000
Reserves & Surplus	2	867,298	867,298
Total		3,689,304,298	3,689,304,298
Application of Funds			
Fixed Assets	3		
Gross Block		5,866,947	3,512,310
Less : Depreciation		1,483,506	207,771
Net Block		4,383,441	3,304,539
Investments	4	2,788,517,828	3,090,394,561
Deferred Tax Asset(Net)		252,976	(92,601)
Current Assets, Loans & Advances	5		
Interest accrued on deposits		9,745,905	9,238,537
Cash and Bank Balances		71,537,235	12,839,346
Loans and Advances		686,81,354	1,228,614,779
		767,964,494	1,250,692,662
Less : Current Liabilities & Provisions	6		
Current Liabilities		14,153,803	747,303,575
Provisions		1,451,760	231,778
		15,605,563	747,535,353
Net Current Assets		752,358,931	503,157,309
Debit Balance in Profit and Loss Account		143,850,551	42,599,919
Less :Balance in General Reserve (As per Contra)		(59,429)	(59,429)
		143,791,122	42,540,490
Total		3,689,304,298	3,689,304,298
Accounting Policies & Notes to Accounts	10		

The Schedules referred to above form integral part of the Balance Sheet

As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants**M.K. Ananthanarayanan**
PartnerPlace : Mumbai
Date : September 4, 2009For and on behalf of the Board of Directors of
Future Ventures India Limited**Kishore Biyani**
Managing Director**Dhanpal Jhaveri**
Director**Manoj Gagvani**
Company Secretary
& Head - Legal**Ashutosh Vidwans**
Vice President - Finance

Profit & Loss Account for the year ended 31st March 2009

Particulars	Schedule	For the year ended 31 st March, 2009 Rs.	For the year ended 31 st March, 2008 Rs.
Income			
Income from Operations	7	(31,046,674)	50,823,753
Other Income	7	813,699	27,283
		(30,232,975)	50,851,036
Expenditure			
Employee costs	8	23,399,975	8,044,597
Administrative & Other Expenses	9	46,382,614	81,956,643
Interest & Finance Charges		-	1,141,299
Depreciation		1,275,735	213,801
		71,058,324	91,356,340
Profit/(Loss) before taxation		(101,291,299)	(40,505,304)
Less :			
Current Tax		-	(2,500,000)
Deferred Tax		345,577	(92,601)
Fringe Benefit Tax		(304,910)	(50,000)
Profit/(Loss) after Taxation		(101,250,632)	(43,147,905)
Surplus/ (Deficit) Brought forward from previous year		(42,599,919)	547,986
Profit available for appropriation		(143,850,551)	(42,599,919)
Balance carried to Balance sheet		(143,850,551)	(42,599,919)
Basic and Diluted Earnings per Share (Face Value Rs. 10)		(0.28)	(0.50)
Accounting Policies & Notes to Accounts	10		

The Schedules referred to above form integral part of the Profit and Loss Account

As per our report of even date attached
 For **Deloitte Haskins & Sells**
 Chartered Accountants

For and on behalf of the Board of Directors of
Future Ventures India Limited

M.K. Ananthanarayanan
 Partner

Kishore Biyani
 Managing Director

Dhanpal Jhaveri
 Director

Place : Mumbai
 Date : 4th September, 2009

Manoj Gagvani
 Company Secretary
 & Head - Legal

Ashutosh Vidwans
 Vice President - Finance

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

Cash Flow Statement for the year ended 31st March 2009

Particulars	For the year ended 31 st March, 2009 Rs.	For the year ended 31 st March, 2008 Rs.
A. Cash Flow From Operating Activities		
Profit/ Loss before tax as per Profit and Loss Account	(101,291,299)	(40,505,304)
Adjustments for :		
Depreciation	1,275,735	213,801
Interest & Financial Charges	-	1,141,299
Interest Income	(85,624,271)	(21,661,792)
Dividend Income	(24,166,674)	(27,167,825)
Profit on Sale of Fixed Assets	-	(6,030)
Loss/(Profit) on Sale of Investments	140,837,619	(1,988,106)
Provision no longer required	-	32,322,409
		(27,283)
		(49,495,936)
Operating Loss before Working Capital changes	(68,968,890)	(90,001,240)
Decrease/(Increase) in Loans & Advances	561,379,056	(1,223,037,300)
Increase / (Decrease) in Current Liabilities and Provisions	(731,929,790)	(170,550,734)
		747,497,143
		(475,540,157)
		(565,541,397)
Less : Income Taxes Paid (Net of refunds)	(514,083)	(3,620,578)
Dividend Income	24,166,674	27,167,825
Interest Received	65,880,445	8,862,334
Cash used in operations (A)	(149,986,588)	(533,131,817)
Sale of Fixed assets	-	36,696
Purchase of Fixed Assets	(2,354,637)	(3,512,310)
Purchase of Investments(Includes dividend reinvested - Rs. 17,674,854, (Previous year - 4,040,250))	(2,842,233,600)	(7,489,239,697)
Redemption of Investments	3,003,272,714	4,400,833,242
Net Cash from/ (used in) Investing Activities (B)	158,684,477	(3,091,882,069)
Interest Paid	-	(1,141,299)
Proceeds from Issue of Equity Shares	50,000,000	3,635,500,000
Net Cash from Financing Activities (C)	50,000,000	3,634,358,701

Cash Flow Statement for the year ended 31st March 2009

Particulars	For the year ended 31 st March, 2009 Rs.	For the year ended 31 st March, 2008 Rs.
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	58,697,889	9,344,816
Cash and Cash Equivalents as at the beginning of the year	12,839,346	3,494,530
Cash and Cash Equivalents as at the end of the year	71,537,235	12,839,346
Net Increase / (Decrease) in Cash and Cash Equivalents	58,697,889	9,344,816

As per our report of even date attached
 For **Deloitte Haskins & Sells**
 Chartered Accountants

For and on behalf of the Board of Directors of
Future Ventures India Limited

M.K. Ananthanarayanan
 Partner

Kishore Biyani
 Managing Director

Dhanpal Jhaveri
 Director

Place : Mumbai
 Date : 4th September, 2009

Manoj Gagvani
 Company Secretary
 & Head - Legal

Ashutosh Vidwans
 Vice President - Finance

Future Ventures India Limited
(Formerly Subhikshith Finance and Investments Private Limited)

Schedules forming part of Balance Sheet

	As at 31 st March 2009 Rs.	As at 31 st March 2008 Rs.
SCHEDULE - 1		
Share Capital		
Authorised		
5,000,000,000(Previous year - 5,000,000,000) Equity Shares of Rs.10/- each	<u>50,000,000,000</u> <u>50,000,000,000</u>	<u>50,000,000,000</u> <u>50,000,000,000</u>
Issued, Subscribed & Paid-up Capital		
368,843,700(Previous year - 363,843,700) Equity Shares of Rs.10/- each (Refer Note No.(ii) 1 in Schedule 10)	<u>3,688,437,000</u> <u>3,688,437,000</u>	<u>3,638,437,000</u> <u>3,638,437,000</u>
SCHEDULE - 2		
Reserves and Surplus		
Capital Redemption Reserve	520,000	520,000
Statutory Reserve	347,298	347,298
General Reserve		
As per Last Balance sheet	59,429	59,429
Less : Debit Balance in Profit & Loss Account (As per Contra)	<u>(59,429)</u>	<u>(59,429)</u>
Surplus in Profit and Loss Account	<u>-</u>	<u>-</u>
TOTAL	<u>867,298</u>	<u>867,298</u>

SCHEDULE - 3
Fixed Assets

	Gross Block			Depreciation				Net Block		
Description of Assets	As at 1 st April, 2008	Additions	Deletions	As at 31 st March, 2009	As at 1 st April, 2008	For the year	Deletions	As at 31 st March, 2009	As at 31 st March, 2009	As at 31 st March, 2008
Office Equipments	1,268,696	623,021	-	1,891,717	45,978	246,593	-	292,571	1,599,146	1,222,718
Computers	2,018,614	443,253	-	2,461,867	156,661	881,432	-	1,038,093	1,423,774	1,861,953
Furniture & Fixtures	225,000	-	-	225,000	5,132	39,796	-	44,928	180,072	219,868
Vehicles	-	1,288,363	-	1,288,363	-	107,914	-	107,914	1,180,449	-
Total	3,512,310	2,354,637	-	5,866,947	207,771	1,275,735	-	1,483,506	4,383,441	3,304,539
Previous Year	723,091	3,512,310	723,091	3,512,310	686,395	213,801	692,425	207,771	3,304,539	36,696

Schedules forming part of Balance Sheet

SCHEDULE - 4

Investments

	Nominal Value Rs. / Unit	Units/Shares				Value(Rupees)			
		As at 1 st April, 2008	Additions during the year	Redemptions /Transfers during the year	As at 31 st March, 2009 Rs.	As at 1 st April, 2008 Rs.	Additions during the year	Redemptions /Transfers during the year Rs.	As at 31 st March, 2009 Rs.
A. Long term Investments									
A. 1. Quoted - Non - Trade									
Adhunik Metaliks Limited	10	435,627			435,627	80,031,731			80,031,731
Easun Reyrolle Limited.	2	311,754			311,754	102,058,449			102,058,449
Gateway Distriparks Limited	10	250,000		*250,000	-	29,481,764		29,481,764	-
JM Financial Limited	1	640,040	*960,060	*530,514	1,069,586	170,599,696		*139,071,820	31,527,876
Mid-day Multimedia Limited	10	71,413		*71,413	-	2,900,481		*2,900,481	-
Modison Metals Limited	1	1,683,111	600,000		2,283,111	115,613,392	18,659,250		134,272,642
Mukta Arts Limited	5	715,191			715,191	130,840,990			130,840,990
Sub - Total		4,107,136	1,560,060	851,927	4,815,269	631,526,503	18,659,250	171,454,065	478,731,688
A.2 Unquoted									
i) Subsidiaries									
- In Fully paid up Equity Shares									
Aadhaar Retailing Limited	10	7,000,000			7,000,000	301,752,510			301,752,510
ii) Associates - Trade									
- In Fully paid up Equity Shares									
Lee Cooper (India) Private Limited	10	390,000			390,000	199,397,260			199,397,260
Sankalp Retail Value Stores Private Ltd	10	3,980,000			3,980,000	200,000,000			200,000,000
Industree Crafts Private Limited	100		38,000		38,000		65,759,178		65,759,178
Turtle Limited	10		1,560,000		1,560,000		113,343,728		113,343,728
- In Fully paid up Preference Shares									
Lee Cooper (India) Private Limited	10	4,100,000			4,100,000	41,102,510			41,102,510
Sankalp Retail Value Stores Private Ltd.	100	1,000,000			1,000,000	100,000,000			100,000,000
iii) Joint Venture - Trade									
- In Fully paid up Equity Shares									
Footmart Retail (India) Ltd. (Equity)	10	2,414,000			2,414,000	60,500,885			60,500,885
Celio Future Fashion Ltd. (Equity)	10		304,999		304,999		70,249,990		70,249,990
iv) Others - Trade									
- In Fully paid up Equity Shares									
BIBA Apparels Private Limited	100	27,964	32,336		60,300	61,515,890	75,558,000		137,073,890
Indus League Clothing Limited	10	2,860,000			2,860,000	500,500,000			500,500,000
SSIPL Retail Private Limited	10	609,197			609,197	100,005,780			100,005,780
AND Design India limited	100		26,580		26,580		32,314,755		32,314,755
- In Fully Convertible Debentures									
BIBA Apparels Private limited	10000	7,000		7,000	-	70,000,000		70,000,000	-
AND Design India limited	250000		100	-	100		25,000,000		25,000,000
A.2 Unquoted - Non Trade									
Templeton India income Builder									
Plan A-Growth	10	3,592,031	-	*3,592,031	-	100,000,000		*100,000,000	-
Templeton India Income Fund - Growth	10	3,466,385	-	*3,466,385	-	100,000,000		*100,000,000	-
ICICI Prudential Income Plan - Growth	10	3,977,140	-	*3,977,140	-	100,000,000		*100,000,000	-
Sub Total		33,423,717	1,962,015	11,042,556	24,343,176	1,934,774,835	382,225,651	370,000,000	1,947,000,486

*Bonus Shares Received

*Transferred to Trading Securities Account

Future Ventures India Limited
(Formerly Subhikshith Finance and Investments Private Limited)

Schedules forming part of Balance Sheet

	Nominal Value Rs. / Unit	Units/Shares				Value(Rupees)			
		As at 1 st April, 2008	Additions during the year	Redemptions /Transfers during the year	As at 31 st March, 2009 Rs.	As at 1 st April, 2008 Rs.	Additions during the year	Redemptions /Transfers during the year Rs.	As at 31 st March, 2009 Rs.
B. Current Investments									
B. 1. Unquoted - Non - Trade									
i) Mutual Funds									
ABN AMRO Flexi Debt - Daily dividend	10	25,255,477	42,845	25,298,322	-	252,554,770	428,983	252,983,753	-
ABN AMRO Money Plus Inst. Plan - Daily dividend	10	-	10,350,187	10,350,187	-	-	103,502,909	103,502,909	-
AIG Short term Fund - IP Weekly Dividend	1000	150,768	595	151,363	-	150,769,681	744,713	151,514,394	-
HDFC FRI short Term - Wholesale option - DDR	10	-	21,395,778	21,395,778	-	-	215,688,702	215,688,702	-
HDFC Liquid Fund - Prem. Plan Daily Dividend	10	-	39,718,534	31,071,757	8,646,777	-	486,941,289	380,933,522	106,007,767
Templeton India Ultra short bond fund DD	10	12,054,215	17,843	12,072,058	-	120,768,772	178,764	120,947,536	-
Reliance Medium Term Fund - DDR	10	-	4,689,019	4,689,019	-	-	80,161,125	80,161,125	-
Reliance Liquid Fund - Daily Dividend	10	-	15,666,465	9,996,901	5,669,564	-	156,713,220	100,000,000	56,713,220
ICICI Prudential Flexible Income Plan - DDR	10	-	20,355,145	20,355,145	-	-	215,225,128	215,225,128	-
ICICI Prudential Liquid - Super IP Daily Dividend	10	-	77,665,309	57,659,843	20,005,466	-	776,691,923	576,627,256	200,064,667
LIC Mutual fund - Liquid fund - Daily Dividend	10	-	18,218,261	18,218,261	-	-	200,038,324	200,038,324	-
LIC Mutual fund - Liquid Plus Fund- Daily Dividend	10	-	20,503,362	20,503,362	-	-	205,033,619	205,033,619	-
Sub - Total		37,460,460	228,623,343	231,761,996	34,321,807	524,093,223	2,441,348,699	2,602,656,268	362,785,654
Grand Total		74,991,313	232,145,418	243,656,479	63,480,252	3,090,394,561	2,842,233,600	3,144,110,333	2,788,517,828
								Cost	Market Value
Value of Quoted Investments								478,731,688	84,546,158
Value of Unquoted Investments								2,309,786,140	
								2,788,517,828	84,546,158

Schedules forming part of Balance Sheet

	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
Schedule 5		
Current Assets, Loans & Advances		
Current Assets		
Interest accrued on Deposits	9,745,905	9,238,537
Cash and Bank Balances :		
Cash and Cheques on Hand	1,625,098	2,993,607
Balance with Scheduled Bank - In Current Account	69,912,137	9,845,739
	71,537,235	12,839,346
Loans & Advances		
(Unsecured and Considered Good, unless otherwise stated) #		
Advances recoverable in cash or in kind or for value to be received :	20,722,203	217,421,260
Advance to a subsidiary towards Share Application money	240,000,000	-
Advance Income tax, Fringe Benefit tax and Tax Deducted at Source	23,657,067	3,929,670
Less : Provision for Income tax and Fringe Benefit tax	(3,032,916)	(2,751,151)
Prepaid taxes net of Provision	20,624,151	1,178,519
Inter Corporate Deposits (secured by way of pledge of Shares)	5,000,000	400,000,000
Inter Corporate Deposits #	400,000,000	610,000,000
Other Deposits	335,000	15,000
	686,681,354	1,228,614,779
Total	767,964,494	1,250,692,662

Includes amount due from companies under the same management

Name of the company	As at 31 st March, 2009	in Rs. Maximum amount due at any point of time during the year
Home Solutions Retail (India) Limited	100,000,000	100,000,000
Future Media (India) Limited	40,000,000	40,000,000
Kshitij Investment Advisory Company Limited	-	6,300,000
Winner Sports Private Limited	155,000,000	155,000,000
Pantaloon Retail India Limited	14,000,000	14,000,000
Future Capital Holdings Limited	-	500,000,000
Total	309,000,000	815,300,000

Name of the company	As at 31 st March, 2009	in Rs. Maximum amount due at any point of time during the year
Pantaloon Retail India Limited	14,000,000	14,000,000
Future Capital Holdings Limited	500,000,000	500,000,000

Schedules forming part of Balance Sheet

	As at 31 st March,2009 Rs.	As at 31 st March,2008 Rs.
Schedule 6		
Current Liabilities & Provisions		
Sundry Creditors:		
- Due to Micro enterprises and small enterprises*	-	-
- Due to creditotrs other than Micro enterprises and small enterprises	57,969	742,091,344
Other Liabilities	14,095,834	5,212,231
	14,153,803	747,303,575
Provisions		
Provision for Compensated absences	1,194,022	231,778
Provision for Gratuity	257,738	-
	1,451,760	231,778
Total Current Liabilities & Provisions	15,605,563	747,535,353

* As identified by the Management and relied upon by the auditors

Schedules Forming part of Profit & Loss Account

	For year ended 31 st March, 2009 Rs.	For year ended 31 st March,2008 Rs.
Schedule 7		
Income from Operations		
Interest Income:		
- On Bank Deposits/Other Deposit(Tax deducted at source - Rs. 1,625,298 (Previous year - NIL))	7,905,115	63,633
- On Investments - Trade (Tax deducted at source - Rs. 189,351 (Previous year - 1,442,000))	835,616	7,000,000
- On Investments - Non Trade (Tax deducted at source - Rs. NIL(Previous year - 181,590))	-	5,655,036
- Others(Tax deducted at source - Rs. 17,421,810 (Previous year - 2,011,462))	76,883,540	8,943,123
Dividend Income	24,166,674	27,167,825
Profit/(Loss) on Trading in Securities		
Sale of Trading Securities	482,130,840	-
Less : Cost of Sale	622,968,459	-
	(140,837,619)	-
Profit on Sale of Investments(net)	-	1,988,106
Profit on Sale of Assets	-	6,030
	(31,046,674)	50,823,753
Other Income		
Provision for expenses no longer required written back	-	27,283
Miscellaneous Income - Other	813,699	-
	813,699	27,283

Schedules Forming part of Profit & Loss Account

	For year ended 31 st March, 2009 Rs.	For year ended 31 st March, 2008 Rs.
Schedule 8		
Employee Costs		
Salaries Wages & Bonus	20,930,930	7,354,773
Contribution to Provident Fund	756,732	159,464
Staff Welfare Expenses	1,712,313	530,360
	23,399,975	8,044,597
Schedule 9		
Administrative and other expenses		
Rent	3,819,497	721,545
Legal and Professional Charges	20,300,577	18,632,725
Rates & taxes	117,066	60,960,367
Audit Fees :		
- Statutory Audit	450,000	450,000
- Tax Audit	50,000	50,000
- Other Services	420,000	-
- Out of Pocket Expenses (Including Taxes and Levies)	172,155	61,800
Directors sitting fees	960,000	140,000
Travelling & Conveyance Expenses	5,260,520	215,733
Advertisement & Publicity	13,177,266	-
Miscellaneous expenses	1,655,533	724,473
Total	46,382,614	81,956,643

Schedule 10 - Schedules forming part of Balance Sheet and Profit & Loss Account

I. Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, as amended from time to time and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

3. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes all direct expenses relating to the acquisition and installation of fixed assets.

4. Depreciation

Depreciation is provided on Written Down Value Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Assets individually costing Rs.5,000/- or less are depreciated fully in the year of purchase.

5. Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Investments other than short term are classified as long-term investments.

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the balance sheet of the unlisted investee company is not available for two years, shares in such companies shall be valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting) Companies.

Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as equity, preference, debentures etc and considered scrip-wise and the cost and market value aggregated for all investments in each category. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

The reclassification of Investments from long term to current/trading investments would be effected with the approval of the board of directors.

6. Revenue Recognition.

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements, for the year.

Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Company obtains an enforceable obligation to pay the price or, in the event of sale, when the Company obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

The cost of investments acquired or purchased would include brokerage, stamp charges and any duties directly related to the acquisition of investment.

Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the same is established.

Profit / Loss on sale of investments - Realized gain or loss on investments which is the difference between the sale consid-

eration and the carrying cost is recognized in the profit and loss account on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized.

Fee for services rendered is recognized at the specific rates as per the terms of contract.

Advisory fee payable for advisory services is recognized at the specific rates and as per terms agreed.

7. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates.

Exchange differences arising on actual payment / realisation and year end re-instatement referred to above are recognized in the Profit & Loss Account.

8. Retirement Benefits

Defined Benefit Plan

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for.

Actuarial gains and losses arising from effects of changes in actuarial assumptions are immediately recognised in the profit & loss account as income or expense.

Defined Contribution Plan

Fixed contributions to Provident Fund are recognized in the accounts on actual cost to the Company.

Compensated Absences

Liability for short term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

9. Taxation

Current tax is determined on the income for the year chargeable to tax in accordance with Income tax Act, 1961.

Deferred tax is recognized for all timing differences. Deferred tax assets are recognized subject to consideration of prudence.

10. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 its present value and are determined based on best 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 best estimates.

II. Notes to Accounts

1. Share Capital

During the year, the Company had issued 50,00,000 Equity shares at par value of Rs.10/- each on a private placement basis.

2. Quoted Investments

In the opinion of the management, no provision is considered necessary for diminution in the value of Quoted Long Term Investments as the diminution is not considered other than temporary in nature.

3. Unquoted Investments

The Company has invested an aggregate amount of Rs. 601, 000,655 in Sankalp Retail Value Stores Private Ltd and Lee Cooper (India) Private Ltd (Associate Companies) and Footmart Retail (India) Ltd. (Joint Venture) in the year 2007-08 whose net worth has eroded as at March 31, 2009. These investments have been made in line with the investment policy of the Company which is to select companies which have business synergies and provide financial and technical support and grow them into profitable ventures.

The above investee companies, being start-up companies in the retail space, have made substantial investments to develop their infrastructure and distribution network for growth and are expected to do well going forward. Once the critical mass is attained and sufficient number of stores is opened, the entities are expected to break-even and generate a reasonable return on investments thereby significantly improving their net worth. These entities are operating as per their business plan which

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

is being consistently monitored. Also, these are strategic investments and the Company has plans of turning them around into profitable ventures by providing them the necessary financial and advisory support.

Therefore, in the opinion of the management, the diminution in the value of the said investments are temporary in nature and hence no provision is considered necessary.

	2008-09 Rs.	2007-08 Rs.
4. Share Purchase Obligations	1,386,000,000	1,386,000,000
5. Segmental Reporting		

The Company is primarily engaged in the business of investing/financing. All the activities of the Company revolve around the main business. Further, the Company does not have any operations outside India. As such, there are no separate reportable segments as per AS 17 "Segmental Reporting".

6. Related Party Disclosures

A. Names of Related Parties & Nature of Related Parties Relationship		
	31 st March, 2009	31 st March, 2008
i. Subsidiary	Aadhaar Retailing Limited	Aadhaar Retailing Limited
ii. Associates	Lee Coopers (India) Private Limited. Sankalp Retail Value Stores Private Limited. Industree Crafts Private Limited (With effect from Dec 1, 2008) Turtle Limited (with effect from December 1, 2008). Future Capital Holdings Limited. Pantaloons Retail India Limited. Future Capital Investment Private Limited. Pantaloons Industries Limited	Lee Coopers (India) Private Limited. Sankalp Retail Value Stores Private Limited. Future Capital Holdings Limited. Pantaloons Retail India Limited. Future Capital Investment Private Limited. Pantaloons Industries Limited
iii. Joint Venture	Footmart Retail (India) Limited Celio Future Fashion Limited (with effect from Dec 16, 2008)	Footmart Retail (India) Limited
iv. Key Management Personnel	Kishore Biyani Managing Director	Kishore Biyani Managing Director

B. Transactions during the year		
	2009	2008
Purchase of Investments		
Associates		
Future Capital Holdings Limited	NIL	131,515,890
Pantaloons Retail India Limited	NIL	60,500,885
Pantaloons Industries Limited	NIL	360,500,000
Investment in Equity / Preference Shares		
Subsidiary	NIL	301,752,510
Associate		
Sankalp Retail Value Stores Private Limited	NIL	300,000,000
Lee Coopers (India) Private Limited.	NIL	240,499,770
Industree Crafts Private Limited.	65,759,178	NIL
Turtle Limited	113,343,728	NIL
Joint Venture		
Footmart Retail (India) Limited	NIL	60,500,885
Celio Future Fashion Limited	70,249,990	NIL
Issue of Equity Shares:		
Associate		
Future Capital Investment Private Limited.	NIL	18,000,000

Inter Corporate Deposit Given		
Celio Future Fashion Limited	25,000,000	NIL
Footmart Retail India Limited	40,000,000	NIL
Future Capital Holding Limited	NIL	500,000,000
Industree Crafts Private Limited	35,000,000	NIL
Pantaloon Industries Limited	150,000,000	NIL
Inter Corporate Deposit received back		
Celio Future Fashion Limited	25,000,000	NIL
Future Capital Holding Limited	500,000,000	NIL
Industree Crafts Private Limited	35,000,000	NIL
Pantaloon Industries Limited	150,000,000	NIL
Reimbursement of Expenses		
Future Capital Holdings Limited	1,717,586	1,166,476
Pantaloon Retail India Limited	560,080	666,587
Advances given:		
Pantaloon Retail India Limited	NIL	14,000,000
Aadhaar Retailing Limited	240,000,000	NIL
Payables:		
Associates		
Pantaloon Industries Limited	NIL	360,500,000
Future Capital Holdings Limited	7,178	NIL
[Current Account]		
Receivables:		
Associates		
Pantaloon Industries Limited	14,000,000	14,000,000
Future Capital Holding Limited	NIL	500,000,000
Footmart Retail India Limited	40,000,000	NIL
Aadhaar Retailing Limited	240,000,000	NIL

7. Deferred Tax Liability / (Asset)

	2009 (Rs.)	2008 (Rs.)
Depreciation	240,477	171,383
Provision for Compensated Absences	(405,848)	(78,782)
Provision for Gratuity	(87,605)	—
Net Deferred Tax (Asset)/ Liability	(252,976)	92,601

8. Expenditure in Foreign Currency

	2008-09 Rs.	2007-08 Rs.
Professional Fees	13,935,000	12,734,436
Traveling & Conveyance Expenses	2,874,377	—
Miscellaneous Expenses	19,417	—

9. Notes to Earning Per Share

There are no potential equity shares and hence the basic and diluted earnings per share are the same.

Numerator

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Denominator

	As on 31.03.09	As on 31.03.08
No. of equity shares at the beginning of the year	363,843,700	293,700
No. of equity shares at the end of the year	368,843,700	363,843,700
Weighted average number of shares outstanding during the year	367,295,755	86,427,177

Future Ventures India Limited
(Formerly Subhikshith Finance and Investments Private Limited)

10. The Company's obligation towards Gratuity is a Defined Benefit plan and the details of actuarial valuation as on 31st March 2009 is given below:

	2008-09 Rs.	2007-08 Rs.
Expenses recognized in the Profit & Loss Account		
Current Service cost	2,89,320	114,455
Interest cost on benefit obligations	0	0
Expected return on plan assets	0	0
Actuarial (gain)/loss	(31,582)	(114,455)
Net benefit expense	0	0
Amount recognized in the Balance Sheet		
Closing Projected Benefit Obligation	(2,57,738)	0
Closing Fair value of plan assets	0	0
Unfunded Net Asset/ (Liability) recognized in the balance sheet	(2,57,738)	0
Changes in the present value of defined benefit obligations are as follows:		
Obligations at period beginning	0	0
Service Cost	2,89,320	114,455
Interest on Defined benefit obligation	0	0
Benefits settled	0	0
Actuarial (gain)/loss	(31,582)	(114,455)
Obligations at period end	257,738	0
Assumptions		
Interest rate	8.00%	8.00%
Salary increase	5.00%	5.00%
Attrition rate	1.00%	1.00%
Retirement age	58 years	58 years

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

The disclosure requirements with regard to composition of Investments in the Fair Value of Plan assets, is not applicable to the company.

11. Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : September 4, 2009

**For and on behalf of the Board of Directors of
Future Ventures India Limited**

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Dhanpal Jhaveri
Director

Ashutosh Vidwans
Vice President - Finance

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE ACT. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.

U	6	7	1	2	0	M	H	1	9	9	6	P	L	C	1	9	2	0	9	0
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State Code

1	1
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Balance Sheet Date

3	1		0	3		2	0	0	9
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Date Month Year

II Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue								
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L		
N	I	L							
N	I	L							
Bonus Issue	Private Placement								
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	5	0	0	0	0
N	I	L							
5	0	0	0	0					

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (including shareholder's funds)	Total Assets														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>6</td><td>8</td><td>9</td><td>3</td><td>0</td><td>4</td></tr></table>	3	6	8	9	3	0	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>6</td><td>8</td><td>9</td><td>3</td><td>0</td><td>4</td></tr></table>	3	6	8	9	3	0	4
3	6	8	9	3	0	4									
3	6	8	9	3	0	4									
Sources of Funds	Reserves and Surplus														
Paid-up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>8</td><td>6</td><td>7</td></tr></table>	8	6	7											
8	6	7													
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>6</td><td>8</td><td>8</td><td>4</td><td>3</td><td>7</td></tr></table>	3	6	8	8	4	3	7	Unsecured Loans							
3	6	8	8	4	3	7									
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L											
N	I	L													
Application of Funds															
Net Fixed Assets	Investments														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>3</td><td>8</td><td>3</td></tr></table>	4	3	8	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>7</td><td>8</td><td>8</td><td>5</td><td>1</td><td>8</td></tr></table>	2	7	8	8	5	1	8			
4	3	8	3												
2	7	8	8	5	1	8									
(Please tick appropriate box + for Positive, - for Negative)	Miscellaneous Expenditure														
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+	-														
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N	I	L													
Net Current Assets															
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>5</td><td>2</td><td>3</td><td>5</td><td>9</td></tr></table>	7	5	2	3	5	9									
7	5	2	3	5	9										
Accumulated Losses															
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>4</td><td>3</td><td>7</td><td>9</td><td>1</td></tr></table>	1	4	3	7	9	1									
1	4	3	7	9	1										

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)	Total Expenditure												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td></tr><tr><td></td><td>✓</td></tr></table>	+	-		✓	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>1</td><td>0</td><td>5</td><td>8</td></tr></table>	7	1	0	5	8			
+	-												
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3	0	2	3	3									
(Please tick appropriate box + for Profit, - for Loss)	(Please tick appropriate box + for Profit, - for Loss)												
Profit /Loss Before Tax	Profit /Loss After Tax												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td></tr><tr><td></td><td>✓</td></tr></table>	+	-		✓	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td></tr><tr><td></td><td>✓</td></tr></table>	+	-		✓				
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1	0	1	2	9	1								
1	0	1	2	5	1								
(Please tick appropriate box + for Positive, - for Negative)	Dividend Rate %												
Earning Per Share (in Rs.)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td></tr></table>	-	-										
-	-												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td></tr><tr><td></td><td>✓</td></tr></table>	+	-		✓									
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0	.	2	8										

V Generic Names of Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
Not Applicable	Non Banking Financial Company

As per our report of even date attached
 For **Deloitte Haskins & Sells**
 Chartered Accountants

For and on behalf of the Board of Directors of
Future Ventures India Limited

M.K. Ananthanarayanan
 Partner

Kishore Biyani
 Managing Director

Dhanpal Jhaveri
 Director

Place : Mumbai
 Date : September 4, 2009

Manoj Gagvani
 Company Secretary
 & Head - Legal

Ashutosh Vidwans
 Vice President - Finance

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

Financial Information on Subsidiary Company for the year ended 31st March, 2009

Amount in Rs.	
Name of Subsidiary Company	Aadhaar Retailing Limited
Capital	100,000,000
Reserves	(82,200,161)
Total Assets	1,000,346,969
Total Liabilities	600,047,130
Investments (except in case of investment in subsidiaries)	-
Turnover	1,228,652,618
Profit before tax	(334,078,436)
Provision for tax	41,245,418
Profit after tax	(375,323,854)
Proposed dividend	-

Note :

1. The Ministry of Corporate Affairs has vide its letter(s) bearing No 47/115/2009-CL-III dated March 16, 2009 exempted the Company from attaching to its Balance Sheet, certain information in respect of its subsidiary specified in Section 212 (1) of the Companies Act, 1956.

2. The annual accounts of the subsidiary company are available for inspection at the Registered Office of the Company and that of the subsidiary.

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FUTURE VENTURES INDIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FUTURE VENTURES INDIA LIMITED, AND ITS SUBSIDIARY, JOINT VENTURES AND ASSOCIATES

1. We have audited the attached Consolidated Balance Sheet of Future Ventures India Limited (the Company), its Subsidiary, Joint Ventures and Associates (together constitute "the Group") as at 31st March 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Future Ventures India Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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. We did not audit the financial statements of the Company's Subsidiary and Joint Ventures whose financial statements reflect total assets of Rs. 1,324,828,343/- as at 31st March, 2009 and total revenues of Rs. 1,335,658,753/- and net cash flows amounting to Rs. 30,044,415/- for the period then ended and of the Associates which reflects the group share of loss of Rs.94,737,473 for the period ended 31st March, 2009. These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us, and our opinion, is based solely on the report of the other auditors.
4. We draw attention to Note No.D.1 in Schedule 12 regarding the computation of goodwill arising on investment in a Joint Venture and an Associate and also the computation of post acquisition share of their losses, which has been based on the unaudited financial statements provided by the respective companies.
5. Without qualifying our opinion, we draw attention to Note No. D. 5 in Schedule 12 regarding diminution in the value of investments in certain associates and a joint venture which, in the opinion of the management, is considered temporary in nature and consequently, no adjustment is considered necessary to the carrying value of investment in associates and goodwill recognized on acquisition of the joint venture.
6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, Accounting Standard (AS) 23, Accounting of Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27, Financial Reporting of interest in Joint Ventures as notified by Central Government of India under the Accounting Standard Rules, 2006, as amended.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Consolidated Balance Sheet, the state of affairs of the Group as at 31st March 2009; and
 - (b) In the case of Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
 - (c) In the case of Consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

Place: Mumbai
Dated: 4th September, 2009

M K Ananthanarayanan
Partner
Membership No. 19521

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

Consolidated Balance Sheet of Future Venures India Limited

Particulars	Schedule	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
Sources of Funds			
Shareholders' Funds			
Share Capital	1	3,688,437,000	3,638,437,000
Reserves & Surplus	2	867,298	867,298
Loan Funds	3		
Secured Loans		81,091,129	86,017,569
Unsecured Loans		476,477,225	484,925,000
Minority Interest (includes share application - Rs. 82,500,000 (Previous year: Nil))		87,839,953	117,937,108
Deferred Tax Liability(Refer Note D.10 of Schedule 12)		40,478,450	2,410,338
Total		4,375,191,055	4,330,594,313
Application of Funds			
Goodwill on Consolidation		134,046,200	125,131,848
Fixed Assets	4		
Gross Block		829,553,843	748,580,837
Less : Depreciation		83,397,488	15,426,182
Net Block		746,156,355	733,154,655
Capital Work-in-Progress (includes Rs.6,082,142(Previous year - Rs. 1,958,090) being proportionate share in Joint Venture)		12,989,602	6,900,793
		759,145,957	740,055,448
Investments	5	2,219,787,026	2,686,651,223
Deferred Tax Asset(Refer Note D.10 of Schedule 12)		252,976	
Current Assets, Loans & Advances	6		
Interest Accrued on Deposits		9,760,013	9,242,018
Inventories		386,828,384	251,017,443
Sundry Debtors		53,822,391	2,222,450
Cash and Bank Balances		128,753,073	40,010,769
Loans and Advances		490,763,988	1,339,910,672
		1,069,927,849	1,642,403,352
Less : Current Liabilities & Provisions	7		
Current Liabilities		427,035,724	942,629,364
Provisions		3,591,042	5,456,532
		430,626,766	948,085,896
Net Current Assets		639,301,083	694,317,456
Debit Balance in Profit and Loss Account		622,717,242	84,497,767
Less : Balance in General Reserve (as per Contra)		(59,429)	(59,429)
		622,657,813	84,438,338
Total		4,375,191,055	4,330,594,313
Accounting Policies & Notes to Accounts	12		

The Schedules referred to above form integral part of the Balance Sheet

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

For and on behalf of the Board of Directors of
Future Ventures India Limited**M.K. Ananthanarayanan**
Partner**Kishore Biyani**
Managing Director**Dhanpal Jhaveri**
DirectorPlace : Mumbai
Date : September 4, 2009**Manoj Gagvani**
Company Secretary
& Head - Legal**Ashutosh Vidwans**
Vice President - Finance

Consolidated Profit & Loss Account of Future Venures India Limited

Particulars	Schedule	For the year ended 31 st March, 2009 Rs.	For the year ended 31 st March, 2008 Rs.
Income			
Income from Operations	8	1,303,197,574	51,374,162
Other Income	9	3,250,177	172,532
		1,306,447,751	51,546,694
Expenditure			
Purchase of Materials		1,354,814,221	466,838
(Accretion)/Decretion to Inventory		(135,555,386)	168,340
Employee Costs	10	203,787,855	8,184,449
Administrative & Other Expenses	11	302,929,689	82,084,865
Interest & Finance Charges		22,006,246	1,284,078
Depreciation		70,035,604	326,707
		1,818,018,229	92,515,277
Loss before Prior Period items		(511,570,478)	(40,968,583)
Add/(Less): Proportionate share of prior period items in a Joint Venture - Purchase of Materials		(3,155,363)	-
Loss before Taxation		(514,725,841)	(40,968,583)
Provision for Taxation			
Current Tax		-	(2,500,000)
Deferred Tax		(37,815,137)	(124,264)
Fringe Benefit Tax		(3,389,615)	(54,214)
Prior year tax adjustment		-	(2,851)
Add: Proportionate Share in a Joint Venture		(148,569)	-
Loss after Taxation		(556,079,162)	(43,649,912)
Add/(Less): Share in Associates		(94,737,473)	(41,546,443)
Add/(Less): Minority Interest		112,597,160	150,602
Surplus/(Deficit) brought forward from Previous Year		(84,497,767)	547,986
Profit available for Appropriation		(622,717,242)	(84,497,767)
Balance carried to Balance Sheet		(622,717,242)	(84,497,767)
Basic and Diluted Earnings per Share(Face Value Rs. 10) (Refer Note D.11 of Sch. 12)		(1.47)	(0.98)
Accounting Policies & Notes to Accounts	12		

The Schedules referred to above form integral part of the Profit and Loss

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

M.K. Ananthanarayanan

Partner

Place : Mumbai

Date : September 4, 2009

**For and on behalf of the Board of Directors of
Future Ventures India Limited**

Kishore Biyani

Managing Director

Manoj Gagvani

Company Secretary
& Head - Legal

Dhanpal Jhaveri

Director

Ashutosh Vidwans

Vice President - Finance

Future Ventures India Limited

(Formerly Subhikshith Finance and Investments Private Limited)

Consolidated Cash Flow Statement for the year ended 31st March 2009

Particulars	For the year ended 2009 Rs.	For the year ended 2008 Rs.
A. Cash Flow From Operating Activities		
Profit/ Loss before Tax as per Profit and Loss Account	(514,725,841)	(40,968,583)
Adjustments for :		
Depreciation	70,035,604	326,707
Interest & Financial Charges	22,006,246	1,284,708
Interest Income	(85,547,945)	(21,661,792)
Dividend Income	(24,166,674)	(27,167,825)
(Profit)/Loss on Sale of Fixed Assets & Asset written off	(63,266)	(6,030)
Loss/(Profit) on Sale of Investments	140,837,619	(1,988,106)
Provision No Longer required	(439,325)	(27,283)
Operating Loss before Working Capital Changes	(392,063,582)	(90,208,204)
Adjustments for :		
(Increase) / Decrease in inventory	(135,810,941)	(251,017,443)
(Increase) / Decrease in Trade and Other Receivables	819,600,479	(1,338,358,401)
Increase/(Decrease) in Trade Payables	(517,459,131)	166,330,407
	(225,733,175)	(731,536,363)
Less : Income Taxes Paid (Net of refunds)	(2,349,051)	(6,582,952)
Add: Dividend Income	24,166,674	27,167,825
Add: Interest Received	65,560,623	8,858,853
Cash (used in) / generated from operations	(138,354,929)	(702,092,637)
B. Cash Flow from Investing Activities		
Sale of Fixed Assets	200,001	36,696
Purchase/Acquisition of Fixed Assets	(104,080,387)	(740,376,121)
Purchase of Investments	(2,769,414,636)	(7,127,042,804)
Redemption of Investments	3,003,272,716	4,400,833,244
Net Cash (used in)/ from Investing Activities	129,977,694	(3,466,548,985)
C. Cash Flow from Financing Activities		
Interest Paid	(22,006,246)	(1,284,708)
Proceeds from Borrowings	-	570,942,569
Proceeds from Share application money	82,500,000	-
Repayment of Borrowings	(13,374,215)	-
Proceeds from Issue of Equity Shares & share premium	50,000,000	3,635,500,000
Net Cash from/(used in) Financing Activities	97,119,539	4,205,157,861
Net Increase in Cash and Cash Equivalents (A+B+C)	88,742,304	36,516,239
Cash and Cash Equivalents as at the beginning of the year	40,010,769	3,494,530
Cash and Cash Equivalents as at the end of the year	128,753,073	40,010,769
Net Increase in Cash and Cash Equivalents	88,742,304	36,516,239

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : September 4, 2009

For and on behalf of the Board of Directors of
Future Ventures India Limited

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Dhanpal Jhaveri
Director

Ashutosh Vidwans
Vice President - Finance

Consolidated Schedules forming part of Balance Sheet

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
Schedule 1		
Share Capital		
Authorised		
5,000,000,000 (Previous year - 5,000,000,000) Equity Shares of Rs.10/- each	50,000,000,000	50,000,000,000
	50,000,000,000	50,000,000,000
Issued, Subscribed & Paid-up Capital		
368,843,700 Equity Shares (Previous year - 363,843,700) of Rs.10/- each(Refer Note No. D. 4 in Schedule 12)	3,688,437,000	3,638,437,000
SCHEDULE - 2		
Reserves and Surplus		
Capital Redemption Reserve	520,000	520,000
Statutory Reserve	347,298	347,298
General Reserve:		
As per Last Balance Sheet	59,429	59,429
Less : Debit balance in Profit and Loss Account (as per Contra)	(59,429)	(59,429)
	-	-
	867,298	867,298
Balance in Profit and Loss Account	(622,717,242)	(84,497,767)
	(622,717,242)	(84,497,767)
SCHEDULE - 3		
Loan Funds		
Secured Loans		
Proportionate Share in a Joint Venture	81,091,129	86,017,569
	81,091,129	86,017,569
Amount repayable within one year	55,777,721	20,872,197
UnSecured Loans		
Intercompany Deposit	476,477,225	484,925,000
	476,477,225	484,925,000
Amount repayable within one year	476,477,225	484,925,000

Future Ventures India Limited
(Formerly Subhikshith Finance and Investments Private Limited)

SCHEDULE - 4
Fixed Assets

Amounts in Rs.

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 st April 2008	Additions	Deletions	As at 31 st March 2009	For the year	Deletions	As at 31 st March 2009	As at 31 st March 2008
Land	53,274,510	-	-	53,274,510	-	-	53,274,510	53,274,510
Building	55,364,104	4,013,830	-	59,377,934	908,171	-	3,922,601	52,348,674
Office Equipments	32,354,257	10,880,579	-	43,244,836	2,485,239	-	2,928,556	31,910,940
Computers	41,168,562	22,569,595	-	63,738,157	11,416,729	-	12,390,381	40,194,910
Furniture & Fixtures	58,201,726	25,648,983	144,000	83,706,709	5,082,764	7,265	6,218,717	57,058,508
Vehicles	-	1,288,363	-	1,288,363	107,914	-	107,914	-
Plant & Machinery	1,796,933	170,000	-	1,966,933	31,122	-	39,916	1,788,139
Leasehold improvement	62,599,251	12,384,154	-	74,983,405	4,711,285	-	5,284,234	62,026,302
Signage	7,985,513	9,195,536	-	17,181,049	4,002,845	-	4,044,969	7,943,389
Goodwill (Intangible Assets)	366,202,999	-	-	366,202,999	36,620,300	-	39,671,992	363,151,307
Total	678,947,855	86,161,040	144,000	764,964,895	65,366,569	7,265	74,609,280	669,697,679
Proportionate Share in Joint Ventures	69,632,982	11,830,538	16,874,572	64,588,948	4,669,235	2,057,033	8,788,208	63,456,976
Grand Total	748,580,837	97,991,578	17,018,572	829,553,843	70,035,604	2,064,298	83,397,488	746,156,355
Previous year	723,091	748,580,837	723,091	748,580,837	15,432,212	692,425	15,426,182	733,154,655

Consolidated Schedules forming part of Balance Sheet

	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
Schedule 5		
Investments		
A. Long Term Investments		
a) Investment in Associates		
Cost of Investment	719,602,676	540,499,770
(Includes Rs. 657,377,420 (Previous year - Rs. 504,479,714) representing Goodwill on Consolidation)		
Less: Post acquisition share of loss	(136,283,916)	(41,546,443)
	583,318,760	498,953,327
b) Trade Investments		
(i) Unquoted		
Equity Shares - Others	769,894,425	662,021,670
Fully Convertible Debentures	25,000,000	70,000,000
c) Non Trade Investments*		
(i) Quoted		
Equity Shares - Others	478,731,687	631,526,503
(ii) Unquoted		
Units of Mutual Funds	-	300,000,000
B. Current Investments		
(ii) Unquoted - Non- Trade		
Units of Mutual Funds	362,785,654	524,093,223
Proportionate Share in a Joint Venture (Long Term, Unquoted & Non- Trade)	56,500	56,500
Total	2,219,787,026	2,686,651,223

* Net of investments transferred to trading securities Rs. 622,968,459

Future Ventures India Limited
(Formerly Subhikshith Finance and Investments Private Limited)

Consolidated Schedules forming part of Balance Sheet

	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
Schedule 6		
Current Assets, Loans & Advances		
Current Assets		
Interest accrued on Deposits	9,745,905	9,238,537
Proportionate Share in Joint Ventures	14,108	3,481
Total Interest accrued on investements	9,760,013	9,242,018
Inventories :		
Retail Merchandise	242,614,288	210,824,959
Proportionate Share in Joint Ventures	144,214,096	40,192,484
	386,828,384	251,017,443
Sundry Debtors		
Unsecured, Considered Good		
Outstanding for a period exceeding six months	-	-
Other Debts	4,383,172	-
Proportionate Share in Joint Ventures	49,439,219	2,222,450
	53,822,391	2,222,450
Cash and Bank Balances :		
Cash and Cheques on Hand	4,360,706	15,212,484
Balance with Scheduled Bank		
- In Current Account	83,108,722	23,942,982
- In Fixed Deposit Accounts	7,400,000	-
Proportionate Share in Joint Ventures	33,883,645	855,303
	128,753,073	40,010,769
Loans & Advances		
Advances recoverable in cash or in kind or for value to be received : Unsecured and considered good	40,660,488	292,369,232
	40,660,488	292,369,232
Advance Income Tax, Fringe Benefit Tax and Tax Deducted at Source	28,489,911	6,671,530
Less : Provision for Income Tax and Fringe Benefit tax	(3,032,916)	(3,268,270)
Prepaid Taxes net of Provisions	25,456,995	3,403,260
Inter Corporate Deposits (Secured by way of Pledge of Shares)	5,000,000	400,000,000
Inter Corporate Deposits	380,000,000	610,000,000
Other Deposits	12,701,553	8,840,501
Proportionate Share in Joint Ventures	26,944,952	25,297,679
	490,763,988	1,339,910,672
Total Current Assets, Loans and Advances	1,069,927,849	1,642,403,352

Consolidated Schedules forming part of Balance Sheet

	As at 31 st March, 2009 Rs.	As at 31 st March, 2008 Rs.
Schedule 7		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors:		
- Due to Micro Enterprises and Small Enterprises*	-	-
- Dues to Creditors other than Micro Enterprises and Small Enterprises	115,333,829	848,809,416
Other Liabilities	40,041,679	7,645,272
Proportionate Share in Joint Ventures	271,660,216	86,174,676
Total Current Liabilities	427,035,724	942,629,364
Provisions		
Provision for Compensated Absences	2,408,273	4,183,407
Provision for Gratuity	913,231	1,005,962
Proportionate Share in Joint Ventures	269,538	267,163
Total Provisions	3,591,042	5,456,532
Total Current Liabilities & Provisions	430,626,766	948,085,896
* As identified by the Management and relied upon by the auditors		
	For the year ended 31st March, 2009 Rs.	For the year ended 31st March 2008 Rs.
Schedule 8		
Income from Operations		
Sale of Retail Merchandise	1,201,791,228	550,409
Interest Income:		
- On Bank Deposits/other Deposit (Tax deducted at source - Rs. 1,858,167 (Previous year - Nil))	9,243,294	63,633
- On Investments - Trade (Tax deducted at source - Rs. 189,351 (Previous year - 1,442,000))	835,616	7,000,000
- On Investments - Non Trade (Tax deducted at source - Nil (Previous year - 181,590))	-	5,655,036
- Others (Tax deducted at source - Rs. 17,421,810(Previous year - 2,011,462))	75,469,035	8,943,123
Dividend Income	24,166,674	27,167,825
Profit/(Loss) on trading in Securities:		
Sales of trading Securities	482,130,840	-
Less : Cost of Sales	(622,968,459)	-
	(140,837,619)	-
Profit/(loss) on Sale of Investments	-	1,988,106
Profit on Sale of Assets	63,266	6,030
Other Operating Income	26,358,799	-
Proportionate Share in Joint Ventures	106,107,281	-
	1,303,197,574	51,374,162
Schedule 9		
Other Income		
Rental Income	-	140,710
Other Income	-	4,539
Provision for Expenses No Longer Required Written Back	439,325	27,283
Proportionate Share in Joint Ventures	2,810,852	-
	3,250,177	172,532

Future Ventures India Limited

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Consolidated Schedules forming part of Balance Sheet

	For the year ended 31st March 2009 Rs.	For the year ended 31st March 2008 Rs.
Schedule 10		
Employee Costs		
Salaries, Wages & Bonus	177,094,929	7,483,099
Contribution to Provident and Other Funds	8,114,422	164,310
Staff Welfare Expenses	6,228,852	537,040
Proportionate Share in Joint Ventures	12,349,652	-
	203,787,855	8,184,449
Schedule 11		
Administrative and other expenses		
Rent	55,445,124	730,622
Consumables	3,149,556	988
Power & Fuel	19,213,606	14,027
Freight & Octroi	29,896,413	4,841
Advertisement, Publicity & Selling expenses (includes Free samples)	29,180,282	21,603
Repairs & Maintenance	2,486,747	923
Travelling Expenses	27,736,197	241,062
Postage, Telephone & Stationery	11,162,001	20,440
Legal and Professional Charges	26,145,717	18,648,244
Rates & Taxes	117,066	60,960,367
Insurance	2,022,718	711
Audit Fees :		
- Statutory Audit	850,000	450,921
- Tax Audit	228,652	50,000
- Other Services	420,000	614
- Out of Pocket Expenses (Including Taxes and Levies)	175,729	61,800
Directors Sitting Fees	960,000	140,000
Security & Housekeeping Expenses	15,961,096	10,388
Miscellaneous Expenses	20,204,097	727,314
Proportionate Share in Joint Ventures	57,574,688	-
Total	302,929,689	82,084,865

SCHEDULE 12 - SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

A. Basis of Consolidation:

The consolidated financial statements relate to Future Ventures India Limited (the Company), its subsidiary company, joint ventures and associates. The Company, its subsidiary, joint ventures and associates constitute the Group.

a) Basis of Accounting:

- I. The financial statements of the subsidiary, joint venture and associates used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2009 except in the case of Celio Future Fashion Limited, Joint Venture, whose reporting date is January 31, 2009.
- II. The financial statements of the Group have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 as amended, and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

b) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- II. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures.
- III. Investments in associate companies has been accounted as per the 'Equity method', as laid down in Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and accordingly, the share of profit / loss of each of the associate companies has been added to / deducted from the cost of investments.
- IV. The excess of cost to the Company, of its investment in the subsidiary company and joint venture over the Company's portion of equity is recognised in the financial statement as Goodwill. The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- V. Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- VI. Minority interest's share of net profit for the year of consolidated subsidiary is identified and adjusted against the profit after tax of the group.
- VII. Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

The consolidated financial statements comprise the financial statements of Future Ventures India Limited and the following companies:

Name of the Company	Relationship	Proportion of Ownership	Date of acquisition
Aadhaar Retailing Limited	Subsidiary	70.00 %	27.03.2008
Footmart Retail India Limited	Joint Venture	50.00 %	31.03.2008
Lee Coopers (India) Private Limited	Associate	21.67 %	31.03.2008
Sankalp Retail Value Store Private Limited	Associate	29.40 %	26.10.2007
Celio Future Fashion Limited	Joint Venture	50.00 %	16.12.2008
Industree Craft Pvt. Limited	Associate	43.18 %	01.12.2008
Turtle Limited	Associate	26.00 %	01.12.2008

Goodwill recognized in the financial statements with regard to subsidiary and joint ventures is as follows:

Name of the Company	Rs.
Aadhaar Retailing Limited	26,214,519
Footmart Retail India Limited	98,917,328
Celio Future Fashion Limited	8,914,353
Total	1,34,046,200

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Goodwill included in carrying amount of investments in Associates:

Name of the Company	Rs.
Lee Coopers (India) Private Limited	237,873,652
Sankalp Retail Value Store Private Limited	266,606,062
Industree Craft Pvt. Limited	69,435,210
Turtle Limited	83,462,496
Total	657,377,420

B. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

C. Significant Accounting Policies

1. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes all direct expenses relating to the acquisition and installation of fixed assets.

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

2. Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except the following:

- (i) In the case of the parent company, fixed assets are depreciated on Written Down Value Method (WDV). However, the proportion of such assets for which WDV method is used is less than 1% of the total gross value of consolidated assets. Accordingly, adjustments required, if any, is not considered significant.
- (ii) Computers are depreciated over an estimated useful life of four years and Signage is depreciated over a useful period of three years.
- (iii) Leasehold improvements are amortized over the estimated useful life or period of the lease or 16 years whichever is less.
- (iv) Goodwill is amortized over the estimated useful life of 10 years.

Assets individually costing less than Rs.5000 are fully depreciated in the year of purchase.

3. Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Investments other than short term are classified as long-term investments.

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the balance sheet of the unlisted investee company is not available for two years, shares in such companies shall be valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting) Companies.

Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as equity, preference, debentures etc and considered scrip-wise and the cost and market value aggregated for all investments in each category. Current investments are carried at lower of cost and market value.

In the case of the Company, which is governed by guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies, the unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

The reclassification of investments from long term to current/trading investments would be effected with the approval of the Board of Directors.

4. Revenue Recognition.

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements, for the year.

Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Company obtains an enforceable obligation to pay the price or, in the event of sale, when the Company obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

The cost of investments acquired or purchased would include brokerage, stamp charges and any duties directly related to the acquisition of investment.

Interest/ Dividend income on investments is recognized on accrual basis. Dividend income is recognized when the right to receive the same is established.

Profit / Loss on sale of investments - Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the profit and loss account on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized.

Fee for services rendered is recognized at the specific rates as per the terms of contract.

Advisory fee payable for advisory services is recognized at the specific rates and as per terms agreed.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer which normally coincides with delivery. Sales are net of returns, sales tax, rebates, etc.

5. Inventories

Inventories of traded goods are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

6. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates.

Exchange differences arising on actual payment / realization and year end re-instatement referred to above are recognized in the Profit & Loss Account.

7. Leases

Operating leases payments are recognized as an expense in the Profit and Loss account on straight line bases over the lease term

8. Retirement Benefits

Defined Benefit Plan

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for.

Actuarial gains and losses arising from the effects of changes in actuarial assumptions are immediately recognized in the profit & loss account as income or expense.

Defined Contribution Plan

Fixed contributions to Provident Fund and Employees State Insurance are recognized in the accounts on actual cost to the Company.

Compensated Absences

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences

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is determined on the basis of actuarial valuation as on the balance sheet date.

9. Taxation

Current tax is determined on the income for the year chargeable to tax in accordance with Income tax Act, 1961.

Deferred tax is recognized for all timing differences. Deferred tax assets are recognized subject to consideration of prudence.

10. Segment reporting

The Accounting policies adopted for segment reporting are in line with the Accounting policies of the Company.

- a. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under unallocated corporate expenses.
- b. Inter segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimization objective for the enterprise.

11. Impairment of assets

- (i) 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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's 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.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

12. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 its present value and are determined based on best 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 best estimates.

D. Notes to Accounts

1. The Company has acquired investments in Celio Future Fashion Limited, a Joint Venture on 16th December 2008 and in Turtle Limited, an associate on 1st December 2008. The goodwill arising on the date of investment aggregating to Rs. 8,914,353 and Rs. 83,462,496 respectively has been computed based on the unaudited financial statements of the investee Companies as on the date of investment provided by the management for the purpose of our examination of consolidated financial statement.

2. Capital Commitments

The estimated value of contracts remaining to be executed on Capital Account to the extent not provided for – NIL (Previous year – Rs. 8,667,901)

Proportionate share in capital commitments of Joint Venture – Rs. 48,995 (Previous year – Rs. 261,154)

Share Purchase obligations – Rs. 1,386,000,000 (Previous year – Rs. 1,386,000,000)

3. Contingent Liabilities

Outstanding guarantees given by the bank – Rs. 900,000 (Previous year – NIL)

Proportionate Share of outstanding guarantees given by the bank in Joint Ventures – Rs. 190,000 (Previous year – 1,054,000)

Proportionate Share of other contingent liabilities in Joint Ventures – Rs. 570,962

4. Share Capital

During the year, the Company had issued 5,000,000 Equity shares at par value of Rs.10/- each on a private placement basis.

5. Investments

The Company has invested an aggregate amount of Rs. 601,000,655 in Sankalp Retail Value Stores Private Ltd and Lee Cooper (India) Private Ltd (Associate Companies) and Footmart Retail (India) Ltd. (Joint Venture) in the year 2007-08 whose net worth has eroded as at March 31, 2009.

The carrying value of investments in the said Associates includes Goodwill on acquisition aggregating to Rs. 504,479,714. The Goodwill on acquisition of the said Joint Venture recognised in the Financial Statements is Rs. 98,917,329.

These investments have been made in line with the investment policy of the Company which is to select companies which

have business synergies and provide financial and technical support and grow them into profitable ventures.

The above investee companies, being start-up companies in the retail space, have made substantial investments to develop their infrastructure and distribution network for growth and are expected to do well going forward. Once the critical mass is attained and sufficient number of stores is opened, the entities are expected to break-even and generate a reasonable return on investments thereby significantly improving their net worth. These entities are operating as per their business plan which is being consistently monitored. Also, these are strategic investments and the Company has plans of turning them around into profitable ventures by providing them the necessary financial and advisory support.

Therefore, in the opinion of the management, the diminution in the value of the said investments are temporary in nature and consequently, no adjustment is considered necessary to the carrying value of investment in associates and goodwill recognized on acquisition of the joint venture.

In the opinion of the management, no provision is considered necessary for diminution in the value of Quoted Long Term Investments as the diminution is not considered other than temporary in nature.

6. In respect of a joint venture, the Company has unutilized service tax input credit of Rs.3,728,904 (proportionate share in joint venture) as on March 31, 2009 which can be utilized for an indefinite period under Cenvat Credit Rules. The management is of the opinion that the joint venture will be able to utilize this credit in future years.

7. Segmental Reporting

a) Business Segments

The business segment has been considered as a primary segment for disclosure.

The products included in each of the business segments are as follows:

Retail – Retailing of General Merchandise

Investment – Acquisition and holding of Investments

The above segments have been identified taking into account the organization structure as well as the differing risks and returns of these segments.

b) Geographical Segment

The entire operations of the group are carried out in India, which is only geographic segment. Therefore, separate secondary segment disclosure has not been furnished.

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Particulars	Retail		Investments		Eliminations	Total Company	Total Company
	2008-2009	2007-2008	2008-2009	2007-2008		2008-2009	2007-2008
A SEGMENT REVENUE							
1 External Revenue	1,337,494,424	695,568	(31,046,674)	50,851,036	-	1,306,447,750	51,546,604
2 Inter-segment Revenue	1,414,505	-	813,699	-	(2,228,204)	-	-
TOTAL SEGMENT REVENUE	1,338,908,929	695,568	(30,232,975)	50,851,036	(2,228,204)	1,306,447,750	51,546,604
B RESULTS							
3 Segment Results	(388,272,933)	-	(101,291,299)	(39,364,005)	-	(489,564,232)	(39,364,005)
4 Interest Expense	(22,006,246)	(142,779)	-	(1,141,299)	2,228,204	(22,006,246)	(1,284,078)
5 Income Taxes	(41,245,419)	(38,728)	40,667	(2,642,601)	-	(41,204,752)	(2,681,329)
6 Prior period item	(3,155,263)	-	-	-	-	(3,155,263)	-
7 Net Profit/(Loss)	(454,828,528)	(502,007)	(101,250,632)	(43,147,905)	-	(556,079,160)	(43,649,912)
8 Minority Interest in	-	-	-	-	-	-	-
Net Income/(Loss)	-	-	-	-	-	112,597,159	150,602
9 Share of Profit/(Loss) of Associates	-	-	-	-	-	(94,737,473)	(41,546,443)
10 Net Profit/(Loss)						(538,219,474)	(85,045,753)
C SEGMENT ASSETS							
Unallocated Assets	297,306,918	992,250,392	3,561,118,739	3,939,413,405	-	3,858,425,657	4,931,663,797
Proportionate Share in Joint Venture	-	-	-	-	-	252,976	128,750,306
TOTAL ASSETS	297,306,918	992,250,392	3,561,118,739	3,939,413,405	-	4,183,160,006	5,194,241,867
D SEGMENT LIABILITIES							
Unallocated Liabilities	599,568,674	599,033,705	15,605,563	747,535,353	-	615,174,237	1,346,569,058
Proportionate Share in Joint Venture	-	-	-	-	-	128,318,403	120,347,446
TOTAL LIABILITIES	599,568,674	599,033,705	15,605,563	747,535,353	-	1,116,513,523	1,639,375,911
E CAPITAL EXPENDITURE							
Proportionate Share in Joint Venture	83,806,403	-	2,354,637	-	-	86,161,040	683,890,557
F DEPRECIATION							
Proportionate Share in Joint Venture	64,090,634	-	1,275,735	-	-	11,830,538	71,591,072
G NON CASH EXPENSES OTHER THAN DEPRECIATION							
	-	-	-	-	-	65,366,369	326,707
	-	-	-	-	-	4,669,235	-

8. The Company's has a defined benefit gratuity plan and the details of actuarial valuation as on 31st March 2009 is given below:

Profit and Loss Account	Provision for Gratuity	
	For the year ended 31st March,2009	For the year ended 31st March,2008
Net Employee benefit expenses (recognized in Employee cost)		
Current Service Cost	1,339,211	1,120,417
Interest cost on benefit obligation	79,510	-
Expected return on plan assets	-	-
Net actuarial (Gain)/Loss recognised in the period	(523,355)	(114,455)
Past service cost		
Net benefit expenses	895,367	1,005,962
Amounts recognised in balance sheet		
Defined benefit obligation	2,014,993	1,005,962
Fair Value of Plan assets	(1,005,962)	-
Unrecognised (Asset)/Liability	1,009,031	1,005,962
Change in the present value of the defined benefit obligation are as follows		
Obligation at period beginning	1,005,962	-
Current service cost	1,339,211	1,120,417
Benefits paid	79,510	-
Acturial (Gain)/ Lossess on obligation	(409,691)	(114,455)
Closing defined benefit obligation	-	-
Obligation at period end	2,014,993	1,005,962
Discount Rate (%)	7% - 8%	7% - 8%
Salary escalation rate (%)	5% - 6%	5% - 6%

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

The disclosure requirements with regard to composition of Investments in the Fair Value of Plan assets, is not applicable to the company.

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9. Related Party Disclosures**A. Names of Related Parties & Nature of Related Parties Relationship**

	As at 31st March, 2009	As at 31st March, 2008
i. Subsidiary	Aadhaar Retailing Limited	Aadhaar Retailing Limited
ii. Associates	Lee Coopers (India) Private Limited. Sankalp Retail Value Stores Private Limited. Industree Crafts Private Limited Turtle Limited. Future Capital Holdings Limited. Pantaloon Retail India Limited. Future Capital Investment Private Limited. Pantaloon Industries Limited	Lee Coopers (India) Private Limited. Sankalp Retail Value Stores Private Limited. Future Capital Holdings Limited. Pantaloon Retail India Limited. Future Capital Investment Private Limited. Pantaloon Industries Limited
iii. Joint Venture	Footmart Retail (India) Limited Celio Future Fashion Limited	Footmart Retail (India) Limited
iv. Key Management Personnel	Kishore Biyani Managing Director	Kishore Biyani Managing Director

B. Transactions during the year**Amount Rs.**

	2009	2008
Purchase of Investments		
<u>Associates</u>		
Future Capital Holdings Limited.	NIL	131,515,890
Pantaloon Retail India Limited.	NIL	60,500,885
Pantaloon Industries Limited	NIL	360,500,000
Investment in Equity / Preference Shares		
Sankalp Retail Value Stores Private Limited	NIL	300,000,000
Lee Coopers (India) Private Limited.	NIL	240,499,770
Industree Crafts Private Limited.	65,759,178	NIL
Turtle Limited	113,343,728	NIL
<u>Joint Venture</u>		
Footmart Retail (India) Limited	NIL	60,500,885
Celio Future Fashion Limited	70,249,990	NIL
Issue of Equity Shares:		
<u>Associate</u>		
Future Capital Investment Private Limited.	NIL	18,000,000
Inter Corporate Deposit Given		
<u>Associates</u>		
Future Capital Holding Limited	-	500,000,000
Industree Crafts Private Limited	35,000,000	-
Pantaloon Industries Limited	150,000,000	-

Inter Corporate Deposit received back		
Future Capital Holding Limited	500,000,000	-
Industree Crafts Private Limited	35,000,000	-
Pantaloon Industries Limited	150,000,000	-
Reimbursement of Expenses		
Future Capital Holdings Limited	1,717,586	1,166,476
Pantaloon Retail India Limited	560,080	666,587
Advances given :		
Pantaloon Retail India Limited	-	14,000,000
Payables:		
Associates		
Pantaloon Industries Limited	NIL	360,500,000
Future Capital Holdings Limited	7,178	-
[Current Account]		
Receivables:		
Associates		
Pantaloon Retail India Limited	14,000,000	14,000,000
Future Capital Holdings Limited	-	500,000,000

Proportionate share in the related party transactions of Joint Ventures:

	2009	2008
Security deposits paid/(Received)		
<u>Associates</u>		
Pantaloon Retail (India) Limited	NIL	459,850
Unsecured Loan		
<u>Associates</u>		
Pantaloon Retail (India) Limited	NIL	10,000,000
Guarantee obtained		
<u>Associates</u>		
Pantaloon Retail (India) Limited	NIL	50,400,000
Balance outstanding as at period end (net)-Debit/(Credit)		
<u>Associates</u>		
Pantaloon Retail (India) Limited	(84,040,271)	5,842,034

10. Deferred Tax Liability / (Asset)

	As at 31 st March, 2009 (Rs.)	As at 31 st March, 2008 (Rs.)
Depreciation	44,256,165	7,665,408
Provision for Compensated Absences	(826,881)	(1,421,941)
Provision for Gratuity	(326,650)	(341,926)
Others	(2,877,160)	(3,491,203)
Net Deferred Tax (Asset)/ Liability	40,225,474	2,410,338

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11. Earnings Per Share

There are no potential equity shares and hence the basic and diluted earnings per share are the same.

Numerator

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Denominator

	As on 31.03.09	As on 31.03.08
No. of equity shares at the beginning of the year	363,843,700	293,700
No. of equity shares at the end of the year	368,843,700	363,843,700
Weighted average number of shares outstanding During the year	367,295,755	86,427,177

12. Proportionate share of exposure in a Joint Venture, in respect of Foreign Currency payables which have not been hedged (Previous Year : Nil)

Currency	Amount in Foreign currency	Rs.
Euro	91,271	5,732,753
Dollar	37,770	1,845,823

13. Disclosure relating to Leases**Operating Leases**

The Subsidiary's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. With respect to the Joint Venture, these are generally not non cancellable and are renewable either by mutual consent on mutually agreed terms or at the option of the lessee.

Particulars	31st March, 2009		31st March, 2008	
	Total	Proportionate Share in Joint Venture	Total	Proportionate Share in Joint Venture
Lease payments for the year	96,568,360	22,471,367	664,416	28,404,796
Minimum Lease Payments				
Not later than one year	32,589,188	1,846,509	36,457,713	25,273,632
Later than one year but not later than five years	57,889,889	6,843,273	188,615,033	97,410,693
Later than five years	23,878,455	7,338,996	475,380,378	67,168,605

14. Prior Year's figures have been regrouped wherever considered necessary to confirm to the classifications for the current year. During the year, the Company has acquired a Joint Venture and two associates, hence prior year figures are not comparable with the current year figures.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : September 4, 2009

**For and on behalf of the Board of Directors of
Future Ventures India Limited**

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Dhanpal Jhaveri
Director

Ashutosh Vidwans
Vice President - Finance

This image shows a full page of a document template designed for handwriting practice. It consists of a series of evenly spaced, horizontal dashed lines across the entire width of the page. There are no margins, text, or other markings present.

(Formerly Subhikshith Finance and Investments Private Limited)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.