

Future Finance Limited

Annual Report

2010-11

CORPORATE INFORMATION

BOARD OF DIRECTORS

Directors

Mr. Vijay Kumar Chopra

Mr. Krishan Kant Rathi

Mr. V. Vaidyanathan

Executive Director

Mr. Ashokkumar Shinkar

COMPANY SECRETARY

Mr. Rohit Bhase

STATUTORY AUDITORS

S. R. Batliboi & Co.

BANKERS

HDFC Bank Limited

REGISTERED OFFICE

*FCH House, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013.*

Tel No. : +91 22 6642 3485

Fax No.: +91 22 6642 3401

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twentieth Annual Report on the affairs of the Company together with the audited statement of accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)		
Particulars	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
Income from Operations	10,567,287	10,894,387
Other Income	1,815,287	1,440,593
Total Income	12,382,574	12,334,980
Personnel expenses	427,620	903,621
Administration and other expenses	642,719	350,758
Depreciation / amortization	8,694	2,823
Financial expenses	743	7,384
Total Expenditure	1,079,776	1,264,586
Profit/(Loss) before taxation and prior period items	11,302,799	11,070,394
Provision for taxation :		
Current Tax	3,620,000	3,311,760
Deferred Tax	5,356	7,819
Fringe Benefit Tax	-	-
Income tax of earlier years	-	-
Profit/(loss) after tax and before prior period items	7,677,443	7,750,815
Less: Transfer to Reserve Fund under Section 45(IC) of the RBI Act, 1934	1,535,489	1,550,163
Net profit/(loss) for the year	6,141,954	6,200,652
Balance brought forward previous year	14,088,386	7,887,732
Balance carried forward to Balance Sheet	20,230,340	14,088,384

The total income of the Company during the year stood at Rs. 12,382,574 /- and the profit after tax was Rs. 7,677,443 /-.

BUSINESS REVIEW

Your Directors are optimistic about the performance of the Company during the current financial year in view of the future plans of the Company in the existing loan and finance business.

DIVIDEND

The operations of the Company being in a growth phase, your Directors consider it prudent to conserve the resources and therefore do not recommend any dividend on equity shares for the financial under review.

DIRECTORS

In accordance with Sections 255 and 256 of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. V. K. Chopra, Non-Executive Independent Director, retires by rotation and being eligible offer himself for re-appointment at the ensuing Annual General Meeting.

Mr. N. Shridhar resigned from the office of the Whole-time Director designated as the 'Executive Director' of the Company with effect from 2nd November, 2011 and resigned from the Board with effect from 5th November, 2011. The Directors place on record their appreciation for the services rendered by Mr. Shridhar, during his association with the Company.

Pursuant to resignation of Mr. Shridhar as aforesaid, the Board of Directors appointed Mr. Ashokkumar Shinkar as an Additional Director with effect from 2nd November, 2011. The Board also appointed him as the Whole-time Director designated as the 'Executive Director' of the Company with effect from 2nd November, 2011, for a term of 5 years without any remuneration. The Board of Directors also appointed Mr. V. Vaidyanathan as an Additional Director with effect from 1st October, 2010. In terms of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashokkumar Shinkar and Mr. V. Vaidyanathan hold office as the Additional Directors up to the date of ensuing Annual General Meeting of the Company and are eligible for appointment as the Directors. The Company has received requisite notices together with deposit, as provided under Section 257 of the Companies Act, 1956, from a Member proposing the appointment of Mr. Ashokkumar Shinkar and Mr. V. Vaidyanathan. Approval of Members is being sought at the ensuing Annual General Meeting.

During the year under review, the Board of Directors appointed Mr. G. N. Bajpai on 26th July, 2010, however due to his pre-occupation, Mr. Bajpai resigned on 23rd August, 2010. The Directors place on record their appreciation for the services rendered by Mr. Bajpai, during his association with the Company.

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

AUDIT COMMITTEE

As required under Section 292A of the Companies Act, 1956, the Board has constituted an Audit Committee.

During the year under review, Mr. V. K. Chopra resigned from the Committee with effect from 25th May, 2010 and Mr. G. N. Bajpai was appointed as the Members of the Committee on 26th July, 2010. The Committee then consisted of Mr. G. N. Bajpai, Mr. Krishan Kant Rathi and Mr. N. Shridhar.

The Committee was again reconstituted when Mr. G. N. Bajpai resigned from the Board and consequently from the Committee, with effect from 23rd August, 2010 and Mr. V. Vaidyanathan was appointed as the Members of the Committee with effect from 1st October, 2010. The Committee then consisted of Mr. V. Vaidyanathan, Mr. Krishan Kant Rathi and Mr. N. Shridhar.

The Committee was further reconstituted on 2nd November, 2010, upon resignation of Mr. N. Shridhar from the office of Executive Director and appointment of Mr. Ashokkumar on the Board as the Executive Director. On 2nd November, 2010, the Board reconstituted the Committee to include Mr. V. Vaidyanathan as the Chairman, Mr. Krishan Kant Rathi and Mr. Ashokkumar Shinkar.

The role and functions of the Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956.

The Committee meets periodically during the year and reviews with the management, the financial statements before their submission to the Board of Directors of the Company.

AUDITORS & AUDITORS REPORT

M/s. S. R. Batliboi & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

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

PUBLIC DEPOSITS

The 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.

RBI GUIDELINES

The Company has complied with the Regulations of the Reserve Bank of India as on 31st March, 2011, as are applicable to it as a Non Deposit Accepting Non Banking Finance Company.

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

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

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

During the financial year under review, the Company has neither earned nor spent any foreign exchange.

PARTICULARS OF EMPLOYEES

Since none of the employees of the Company was in receipt of the total remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, during the financial year under review, the information required under the said provisions is not annexed hereto.

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:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed.
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) that the Directors have prepared the annual accounts for the financial year ending 31st March, 2011, on a going concern basis.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from its parent company, Future Capital Holdings Limited, bankers, regulatory authorities including Ministry of Corporate Affairs and Reserve Bank of India and the Company's business associates for their valuable guidance and support and wish to express our sincere appreciation for their continued co-operation and assistance. We look forward to their continued support in future.

Your Directors also wish to place on record their appreciation of the dedication and commitment of the employees.

On behalf of the Board of Directors

Date : 20th June, 2011
Place : Mumbai

Sd/-
V. Vaidyanathan
Director

Sd/-
Ashokkumar Shinkar
Executive Director

Auditors' Report

To,
The Members of Future Finance Limited

1. We have audited the attached Balance Sheet of Future Finance Limited (the 'Company') as at March 31, 2011, also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

S.R. Batliboi
For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No.: 42650
Mumbai,
Place: Mumbai

Date: 20 JUN 2011



S.R. BATLIBOI & CO.

Chartered Accountants

Annexure referred to in paragraph [3] of our report of even date.

Re: Future Finance Limited (the 'Company')

- (i)
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company does not have any inventory. Hence, the provisions of Clause 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (iii) (a) As informed, 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. Hence, the provisions of clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(b) As informed, the Company has not taken any loans, secured or unsecured loans from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4 (iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) According to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements with the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the extent of our knowledge and as explained, Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.



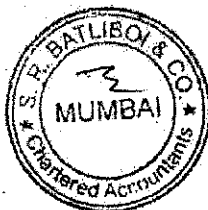
S.R. BATLIBOI & CO.

Chartered Accountants

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, cess and other material statutory dues applicable to it. The Provisions relating to provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty are not applicable to the company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not dealt/traded in shares, securities, debentures and other investments. Therefore provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not raise any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been prima facie used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debenture during the year.
- (xx) The Company did not raise any money by way of public issues during the year.



S.R. BATLIBOI & CO.

Chartered Accountants

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit

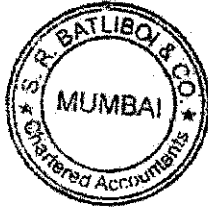
S.R. Batliboi & Co.

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Hemal Shah

per Hemal Shah
Partner
Membership No.: 42650
Place: Mumbai

Date: 20 JUN 2011



Future Finance Limited
Balance Sheet as at March 31, 2011

		As at March 31, 2011	Amount in Rupees As at March 31, 2010
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share capital	1	107,500,000	107,500,000
Reserves and surplus	2	25,068,021	17,474,852
		132,568,021	124,974,852
Total		132,568,021	124,974,852
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross block	3	259,008	259,008
Less: Accumulated depreciation		(259,008)	(250,314)
Net block		-	8,694
Investments	4	39,665,457	17,409,912
Deferred tax assets (net) (Refer note C-1 of Schedule 14)		40,436	45,792
Current assets, loans and advances			
Loans/Lease	5	89,013,377	104,846,721
Cash and bank balances	6	453,872	329,710
Loans and advances	7	3,807,610	2,839,609
		93,274,859	108,016,040
Less: Current liabilities and provisions			
Current liabilities	8	412,731	505,586
		412,731	505,586
Net current assets	(A-B)	92,862,128	107,510,454
Total		132,568,021	124,974,852
Notes to Accounts	14		

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet.

As per our report of even date

S.R. Batliboi & Co.
For S.R. Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

Hemal Shah
per Hemal Shah
Partner
Membership No. 42650

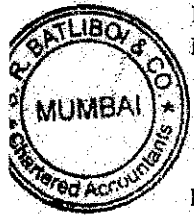
For and on behalf of the Board of Directors of
Future Finance Limited

Chhot Shukla
Director

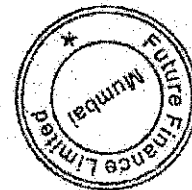
M. G.
Director

Rohit Bhasa
Company Secretary

Place : Mumbai
Date : 20 JUN 2011



Place : Mumbai
Date : 20 JUN 2011



Future Finance Limited
Profit and Loss Account for the year ended March 31, 2011

	Schedules	<i>Amount in Rupees</i>	
		For the year ended March 31, 2011	For the year ended March 31, 2010
Income			
Income from operation	9	10,567,287	10,894,387
Other Income	10	1,781,014	1,440,593
Total		12,348,301	12,334,980
Expenditure			
Personnel expenses	11	427,620	903,621
Administration and other expenses	12	642,719	350,758
Depreciation / ammortisation	3	8,694	2,823
Financial expenses	13	743	7,384
Total		1,079,776	1,264,586
Profit before tax		11,268,525	11,070,394
Provision for tax:			
- Current tax		3,670,000	3,311,760
- Deferred tax		5,356	7,819
		3,675,356	3,319,579
Profit after tax		7,593,169	7,750,815
Transfer to reserve under section 45 (1C) of the Reserve Bank of India (RBI) Act, 1934		1,518,634	1,550,163
Profit available for appropriation		6,074,535	6,200,652
Balance brought forward from previous year		14,088,384	7,887,732
Balance carried to Balance Sheet		20,162,919	14,088,384
Earnings per share			
(Refer Note C6 of Schedule 14)			
Basic and Diluted		0.71	0.72

Notes to Accounts

14

The schedules referred to above and Notes to Accounts form an integral part of the Profit & Loss Account.

As per our report of even date

S.R. Balliboi & Co.
For S.R. Balliboi & Co.
 Firm Registration No. 301003E
 Chartered Accountants

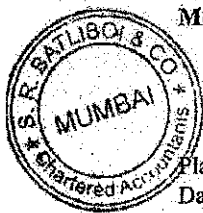
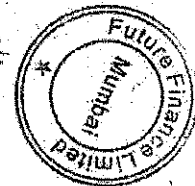
per Hemal Shah
 Partner
 Membership No. 42650

For and on behalf of the Board of Directors of
Future Finance Limited

Ashok Shankar
 Director

[Signature]
 Director

Rohit Bhasse
 Company Secretary



Place : Mumbai
 Date : 20 JUN 2011

Place : Mumbai
 Date : 20 JUN 2011

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Future Finance Limited
Cash Flow Statement for the year ended March 31, 2011

	Year ended March 31, 2011	Year ended March 31, 2010
Amount in Rupees		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,268,525	11,070,394
Adjustments for:		
Depreciation	8,694	2,823
Interest income from investments	(12,004)	(90,968)
Excess provision written back	(370,508)	
Profit on Sale of Investments		(1,149)
Dividend Received	(1,355,545)	(1,348,476)
Operating profit before working capital changes	9,539,162	9,632,624
Movement in working capital:		
(Increase)/Decrease in Loans/ Lease receivables	15,833,344	(3,312,927)
(Increase)/ Decrease in Sundry debtors	-	123,570
(Increase)/ Decrease in Loans and advances	181,374	(81,950)
(Decrease)/ Increase in Current liabilities	(43,182)	300,241
Cash from operations	25,510,698	6,661,559
Taxes paid	(4,498,540)	(3,312,476)
Net cash used in operating activities	21,012,158	3,349,083
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest income from investments	12,004	90,968
Dividend Received	1,355,545	1,348,476
Profit on Sale of Investments	-	1,149
Net cash used in investing activities	1,367,549	1,440,593
Net increase/ (decrease) in cash and cash equivalents (A+B)	22,379,707	4,789,676
Cash and cash equivalents at the beginning of the year	17,720,722	12,931,046
Cash and cash equivalents at the end of the year	40,100,429	17,720,722
	As at	As at
Components of cash and cash equivalents	March 31, 2011	March 31, 2010
Cash on hand	1,530	2,880
Balance with scheduled banks:		
- on current account	252,342	126,830
- on fixed deposit account	200,000	200,000
Short term investments in liquid mutual funds	39,646,557	17,391,012
	40,100,429	17,720,722

As per our report of even date

S.R. Batliboi
For S. R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. 42650

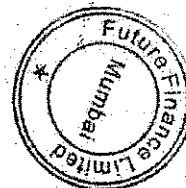


For and on behalf of the Board of Directors of
Future Finance Limited

Sachin Shunkar
Director

Director

Rohit Bhave
Company Secretary

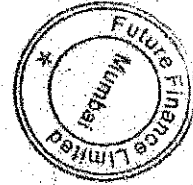
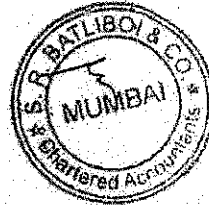


Place : Mumbai
Date: 20 JUN 2011

Place : Mumbai
Date: 20 JUN 2011

Future Finance Limited
Schedules forming part of the Financial Statements

	<i>Amount in Rupees</i>	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
Share Capital		
Authorised		
15,000,000 (Previous year : 15,000,000) equity Shares of Rs. 10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Paid-up		
10,750,000 (Previous year : 10,750,000) equity Shares of Rs. 10/- each [Out of the above, 10,749,970 (Previous year:10,749,970)equity shares are held by Future Capital Holdings Limited, the Holding Company].	107,500,000	107,500,000
Total	<u>107,500,000</u>	<u>107,500,000</u>
SCHEDULE 2		
Reserves and surplus		
Reserve under Section 45 (1C) of the RDI Act		
Balance as last Balance Sheet	3,386,468	1,836,305
Add: Transferred from profit and loss account	1,518,634	1,550,163
	<u>4,905,102</u>	<u>3,386,468</u>
Profit & Loss Account		
Balance carried from profit and loss account	20,162,919	14,088,384
Total	<u>25,068,021</u>	<u>17,474,852</u>



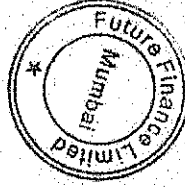
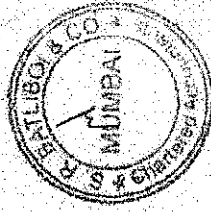
Future Finance Limited

Schedules forming part of the Balance Sheet

SCHEDULE 3: Fixed Assets

Amount in Rupees

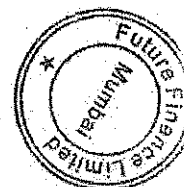
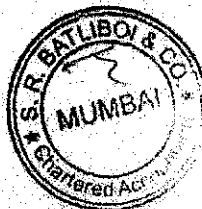
Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	Balance as on 01-Apr-10	Additions during the year	Del/adj during the year	Balance as on 31-Mar-11	Balance as on 01-Apr-10	For the year	Del/adj during the year	Balance as on 31-Mar-11	Balance as on 31-Mar-10
Office Equipment	70,766	-	-	70,766	64,875	5,891	-	-	5,891
Computers	188,242	-	-	188,242	185,439	2,803	-	-	2,803
Total	259,008	-	-	259,008	250,314	8,694	-	259,008	8,694
Previous year	259,008	-	-	259,008	247,491	2,823	-	250,314	-



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Future Finance Limited
Schedules forming part of the Financial Statements

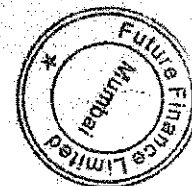
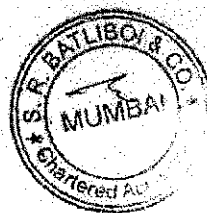
	<i>Amount in Rupees</i>	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4		
Long term Investments (At cost) (Unquoted)		
In Government Securities:(non-trade)		
Government Bonds	18,900	18,900
Current Investments (At lower of cost or net asset value)		
Unquoted (non-trade)		
Investments in Mutual funds:		
Nil (Previous year: 173,872) units of ICICI Prudential Liquid Super Institutional Plan-Div-Daily, Face value of Rs 100/- each fully paid up		17,391,012
274,271 (Previous year: Nil) units of ICICI Prudential Liquid Super Institutional Plan-Growth, Face value of Rs 100/- each fully paid up	39,646,557	
Total	39,665,457	17,409,912
Aggregate amount of unquoted investments	39,665,457	17,409,912
Net asset value of units in mutual funds	39,776,029	17,391,012
SCHEDULE 5		
(Refer Note C-4 of Schedule 14)		
Loans/Lease		
Vehicles on finance lease	26,590,033	27,265,927
Loans / Inter corporate deposits to fellow subsidiaries	62,423,344	77,580,794
Total	89,013,377	104,846,721
SCHEDULE 6		
Cash & bank balances		
Cash on hand	1,530	2,880
Balance with scheduled banks:		
- in current account	252,342	126,830
- in fixed deposit account	200,000	200,000
(Pledged with Sales Tax Authorities Rs. 200,000. (Previous year: Rs. 200,000))		
Total	453,872	329,710
SCHEDULE 7		
Loans and advances		
(Unsecured, considered good)		
Interest accrued but not due on fixed deposits	17,760	5,756
Advance taxes (net of provision for taxes)	1,200,742	601,615
Security deposits	61,750	61,750
Advances recoverable in cash or in kind or for value to be received	2,527,358	2,170,488
Total	3,807,610	2,839,609
SCHEDULE 8		
Current Liabilities		
Sundry creditors		
(Refer Note C-8 of Schedule 14)		
- Due to micro and small enterprises		
- Due other than micro and small enterprises	274,580	249,435
Other liabilities	138,151	256,151
Total	412,731	505,586



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Future Finance Limited
Schedules forming part of the Financial Statements

	For the year ended March 31, 2011	Amount in Rupees For the year ended March 31, 2010
SCHEDULE : 9		
Income from Operations		
Interest on car lease rental (TDS Rs. 2,96,226 ; Previous Year Rs. 984,610)	4,029,650	4,096,190
Interest income on inter corporate deposits (TDS Rs. 6,27,014; Previous year Rs. 1,055,671)	6,270,117	6,660,269
Profit on sale of Leased Assets	267,520	86,588
Bad Debt Recovery		51,340
	<u>10,567,287</u>	<u>10,894,387</u>
SCHEDULE : 10		
Other Income		
Interest income from Fixed Deposit (TDS Rs. Nil; Previous year Rs. 70,436)	12,004	90,968
Dividend Received	1,355,545	1,348,476
Profit on Sale of Investments		1,149
Interest on income tax refund	42,024	
Excess provision written back	370,508	
Miscellaneous Income	933	
	<u>1,781,014</u>	<u>1,440,593</u>
SCHEDULE 11		
Personnel expenses		
Salaries, wages and allowances	427,620	903,621
	<u>427,620</u>	<u>903,621</u>
SCHEDULE 12		
Administrative and other expenses		
Rates & Taxes	47,115	8,159
Repairs and maintenance	1,575	24,980
Travelling expenses		27,325
Communication expenses	6,558	7,927
Printing and stationery	15,020	1,526
Legal and professional expenses	301,499	172,942
Payment to auditors:		
- Audit fees	200,000	50,000
- Out of pocket expenses	952	5,087
Director Sitting Fees	70,000	40,000
Miscellaneous expenses		12,812
	<u>642,719</u>	<u>350,758</u>
SCHEDULE 13		
Finance Charges		
Bank charges	743	7,384
	<u>743</u>	<u>7,384</u>



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FUTURE FINANCE LIMITED

Schedules forming part of the financial statements

Schedule 14

Significant Accounting Policies And Notes To Accounts

A. Background

Future Finance Limited ('the Company') was incorporated on 11th October 1991. The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company vide Certificate No. B-07-00387 dated January 10, 2008. The Company is primarily engaged in Loans and Leasing business.

B. Significant accounting policies

Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis, except for dividend from mutual fund units, which is in accordance with the Non-Banking Financial Companies Prudential Norms, 1998 ('NBFC Regulation').

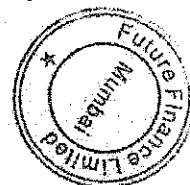
1) Fixed assets

- i) Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any other directly attributable costs of bringing the asset to its working condition for its intended use. Depreciation is provided on written down value method at the rates and in the manner prescribed under Schedule XIV to the Act.
- ii) Leasehold improvements are depreciated on written down value method over period of lease.
- iii) Fixed assets and intangible assets costing Rs 5,000 or less individually are fully depreciated / amortized in the year of purchase.

Impairment

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

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



Future Finance Limited

Schedules forming part of the financial statements

Schedule 14

Significant Accounting Policies And Notes To Accounts

2) Provisions

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

3) Lease:

Income from leases entered on or after 2001 is accounted as per Accounting Standard AS 19 on Leases issued by ICAI. Initial direct costs are written off in the year they are incurred.

4) Loans :

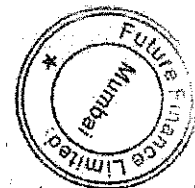
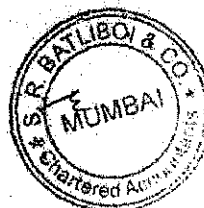
Loans given are stated at agreement values as reduced by instalments received up to the end of the financial year, unamatured finance charges and unamatured insurance charges.

5) Revenue Recognition:

- a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Income on lease/financial lease transactions are recognized on the basis of internal rate of return method.
- c) Interest on loans is recognized under the internal rate of return method.
- d) Income recognized and remaining unrealized after instalments become overdue for six months or more in case of loans are reversed and are accounted as income when these are actually realized.
- e) Additional finance charges / additional interest are treated to accrue only on realization, due to uncertainty of realization and are accounted accordingly.
- f) Dividend is recognized as income when right to receive payment is established.
- g) Interest income is recognised on a time proportion accrual basis.
- h) Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

6) Investments :

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



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Future Finance Limited

Schedules forming part of the financial statements

Schedule 14

Significant Accounting Policies And Notes To Accounts

7) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change. If the Company has unabsorbed depreciation or brought forwards losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

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

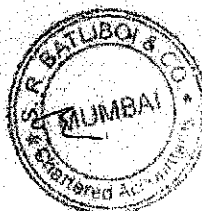
The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available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

8) Retirement Benefits

- a) Gratuity Liability is provided on the basis of 15 days basic salary for each year of completed service.
- b) The company has provided for leave encashment liability at year end on account of unavailed earned leave.

9) Earnings per share

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



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Future Finance Limited

Schedules forming part of the financial statements

Schedule 14

Significant Accounting Policies And Notes To Accounts

C NOTES ON ACCOUNTS

1. Deferred tax

Particulars	As at	As at
	March 31, 2011	March 31, 2010
	Rs.	Rs.
<u>Deferred Tax Asset</u>		
On depreciation	40,438	45,792
Deferred tax assets	40,438	45,792

2. Segment reporting

Since the Company operates in single segment, no disclosure is required to be given as per AS-17 - Segmental Reporting issued by ICAI.

3. Related party disclosure

a) Name and nature of related party relationship.

Holding Companies

Future Capital Holdings Limited (Holding Company)

Pantaloon Retail (India) Limited (Ultimate Holding Company)

Fellow subsidiaries

Myra Mall Management Company Private Limited

Future Capital Investment Advisors Limited

Kshitij Investment Advisory Company Limited

FCH Securities & Advisors Limited (formerly known as Ambit Investment Advisory Company Limited)

Future Capital Financial Services Limited

Future Hospitality Management Limited

Kshitij Property Solutions Private Limited

Axon Development Solutions Limited

Future Capital Home Finance Private Limited (w.e.f December 23, 2010)

Anchor Investment and Trading Private Limited (w.e.f October 14, 2010)

FCH Centrum Wealth Managers Limited (w.e.f. March 29, 2011)

Other Associates

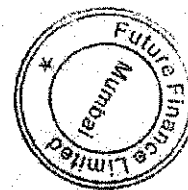
FCH Realterm Logistics Advisors Limited

Key Management Personnel

V. Vaidyanathan (w.e.f. October 1, 2010)

Krishan Kant Rathii

Ashok Kumar Shinkar (w.e.f. November 2, 2010)



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Future Finance Limited

Schedules forming part of the financial statements

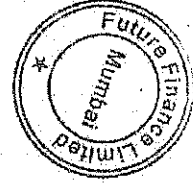
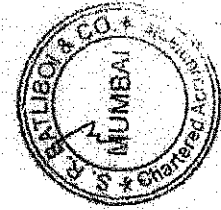
SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Related party disclosure (cont'd)

b) Transactions with related parties

Particulars	Holding Company		Fellow Subsidiary Company		Other Associates Entity		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Income								
Interest income from Car Loan	83,921	3,123,293	126,413	467,395	-	505,509	210,334	4,096,197
Interest on ICD	-	-	6,270,117	6,660,269	-	-	6,270,117	6,660,269
Expenditure								
Expenses reimbursed/ (received)	3,502,558	163,740	(859,324)	-	-	-	2,643,234	163,740
Loans and advances:								
Asset given on Lease	210,310	985,000	579,038	2,855,373	-	1,879,905	789,348	5,720,278
Loan Given	-	-	-	63,000,000	-	-	-	63,000,000
Loan Repayment	-	-	17,250,538	55,749,462	-	-	17,250,538	55,749,462
Receivables/ (Payables) as at the year-end								
Loan Receivable (Lease Stock)	210,310	21,649,492	579,038	4,914,295	-	3,030,873	789,348	29,594,660
Loans Receivable (ICD)	-	-	60,000,000	77,250,538	-	-	60,000,000	77,250,538
Interest Receivable	-	-	2,423,344	-	-	-	2,423,344	-
Other (Current Account)	-	-	-	26,186	-	-	-	26,186



Future Finance Limited

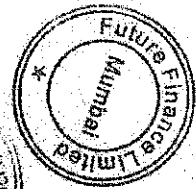
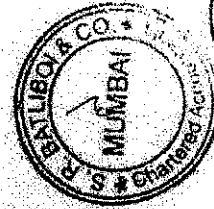
Schedules forming part of the financial statements

SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Note - Disclosure of Related party transactions more than 10%

Particulars	2010-11	2009-10
<u>Car Lease Rental</u>		
Fellow Subsidiary Kshitiij Investment Advisory Company Limited	-	229,304
Future Capital Investment Advisors Limited	-	238,092
<u>Loan Receivable (lease Stock)</u>		
Fellow Subsidiary Kshitiij Investment Advisory Company Limited	-	1,499,894
Future Capital Investment Advisors Limited	-	3,414,401
<u>Reimbursement of Expenses incurred/ (received)</u>		
<u>Holding Company</u> Future Capital Holdings Limited	3,502,558	-
<u>Fellow Subsidiary</u> Myra Mall Management Co. Ltd.	(555,026)	-



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 14

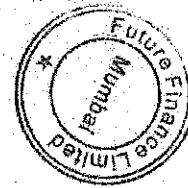
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

4. Amounts due from companies under the same management

Amounts due from companies under the same management under Section 370(1-B) of the Companies Act, 1956 and maximum amounts due from them during the year are as follows:

Name of company	As at 31 March 2011	Maximum amounts due during the year
Forming part of sundry debtors		
Future Capital Holdings Limited	- (-)	380,490 (1,171,207)
Forming part of loans and advances		
Future Capital Holdings Limited	- (21,649,492)	21,649,492 (27,690,965)
Kshiti Investment Advisory Company Limited	- (1,499,894)	1,499,894 (1,830,675)
Future Capital Investment Advisors Ltd.	- (3,414,401)	3,414,401 (3,590,444)
Real Term FCH Logistics Advisors Private Limited	- (3,030,873)	3,030,873 (4,501,350)
Myra Mall Management Company Ltd.	62,423,344 (77,580,794)	77,807,597 (77,580,794)

Note: Figures in bracket denote previous year figures



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

5. Retail Loans/Lease receivable

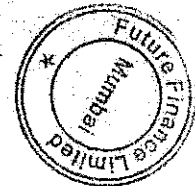
Assets given on finance leases comprise consumer finance and commercial finance assets under hire purchase agreements.

Particulars	As at March 31, 2011	As at March 31, 2010
Gross investment for each of the following years:		
■ Not later than one year	12,747,846	11,069,735
■ Later than one year and not later than five years	23,864,267	26,848,342
	<u>36,612,113</u>	<u>37,918,077</u>
Present value of minimum lease payment for each of the following years:		
■ Not later than one year	9,388,464	7,536,725
■ Later than one year and not later than five years	21,012,281	22,676,127
	<u>30,400,745</u>	<u>30,212,851</u>
Unmatured finance charges	Nil	7,705,226
Un-guaranteed residual value accruing to the benefit of lessor	Nil	Nil
Accumulated provision for minimum lease payment receivable	Nil	Nil

6. Earning per share

Earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Particulars	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Net profit considered for basic EPS calculation	7,593,169	7,750,815
Weighted average number of equity shares for calculating basic EPS	10,750,000	10,750,000
Nominal value per share	Rs.10	Rs.10
Basic and diluted earning per equity share	0.71	0.72



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

8. Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

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

10. Earnings and expenditure in foreign currency is Nil (Previous year: Nil)
11. Contingent Liabilities in respect of bank guarantee given for sales tax matters Rs. 200,000. (Previous year: 200,000)
12. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 have been given to the extent applicable and necessary.
13. Previous year figures have been reclassified/re-grouped/re-arranged to confirm with years' presentation, wherever applicable.

As per our Report of even date

S.R. Batliboi
For S.R. Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

Per Hemal Shah
Partner
Membership No. 42650

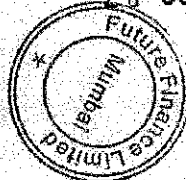
For and on behalf of the Board of Directors
Future Finance Limited

Ashok Chhangar
Director
Shub
Director

Rohit Bhare
Company Secretary

Place: Mumbai
Date: 20 JUN 2011

Place: Mumbai
Date: 20 JUN 2011



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Future Finance Limited
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.
 State Code
 Balance Sheet Date

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

Public Issue <input type="text" value="NIL"/>	Rights Issue <input type="text" value="NIL"/>
Bonus Issue <input type="text" value="NIL"/>	Private Placement <input type="text" value="NIL"/>

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

Total Liabilities (Including shareholder's funds) <input type="text" value="132981"/>	Total Assets <input type="text" value="132981"/>
---	--

Sources of Funds

Paid-up Capital <input type="text" value="107500"/>	Reserves and Surplus <input type="text" value="25068"/>
Secured Loans <input type="text" value="NIL"/>	Unsecured Loan <input type="text" value="NIL"/>

Application of Funds

Net Fixed Assets <input type="text" value="NIL"/>	Investments <input type="text" value="39666"/>
(Please tick appropriate box + for Positive, - for Negative) + - <input checked="" type="checkbox"/> <input type="checkbox"/>	Miscellaneous Expenditure <input type="text" value="NIL"/>
Net Current Assets <input type="text" value="92862"/>	Deferred Tax <input type="text" value="40"/>
Accumulated Losses <input type="text" value="NIL"/>	

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Including other income) <input type="text" value="12348"/>	Total Expenditure <input type="text" value="1079"/>
(Please tick appropriate box + for Profit, - for Loss) + - <input checked="" type="checkbox"/> <input type="checkbox"/>	(Please tick appropriate box + for Profit, - for Loss) + - <input checked="" type="checkbox"/> <input type="checkbox"/>
Profit/Loss Before Tax <input type="text" value="11269"/>	Profit/Loss After Tax <input type="text" value="7593"/>
(Please tick appropriate box + for Positive, - for Negative) + - <input checked="" type="checkbox"/> <input type="checkbox"/>	Dividend Rate % <input type="text" value="NIL"/>
Earning Per Share (in Rs.) <input type="text" value="0.71"/>	

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

Item Code No. (ITC Code)	Product Description
Not Applicable	Vehicle Leasing

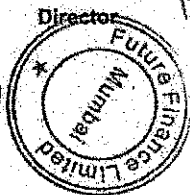
For and on behalf of the Board of Directors
 Future Finance Limited

Director

Director

Place: Mumbai

Date: 20 JUN 2011



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