

## DIRECTORS' REPORT

Dear Members,

Your Directors present the Fifth Annual Report on the affairs of the Company together with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in Rs.)	
	Year Ended 31 <sup>st</sup> March, 2010	Year Ended 31 <sup>st</sup> March, 2009
Income from sale of shares	-	-
Other Income	1,239,382	1,327,642
<b>Total Income</b>	<b>1,239,382</b>	<b>1,327,642</b>
Administration and other expenses	358,425	142,979
Financial Expenses	3,818,547	-
<b>Total Expenditure</b>	<b>4,176,972</b>	<b>142,979</b>
<b>Profit/(Loss) before taxation and prior period items</b>	<b>(2,937,590)</b>	<b>1,184,663</b>
Provision for taxation :		
Current Tax	1,369,564	57,000
MAT credit entitlement	-	(57,000)
<b>Profit/(loss) after tax and before prior period items</b>	<b>(4,307,154)</b>	<b>1,184,663</b>
Prior period expenses	-	73,764
<b>Net profit/(loss) for the year</b>	<b>(4,307,154)</b>	<b>1,110,899</b>
Balance brought forward previous year	157,735	(953,164)
<b>Balance carried forward to Balance Sheet</b>	<b>(4,149,419)</b>	<b>157,735</b>

The total income of the Company during the year stood at Rs. 1,239,382/- and the loss after tax was Rs. 4,307,154/-.

### DIVIDEND

Considering the financial performance of the Company, your Directors do not recommend any dividend for the financial under review.



## **DIRECTORS**

The Board of Directors appointed Mr. N. Shridhar, Mr. Prashant Shetty and Mr. Chetan Gandhi as the Additional Directors with effect from 3<sup>rd</sup> May, 2010. In terms of Section 260 of the Companies Act, 1956 and Article 138 of the Articles of Association of the Company, Mr. N. Shridhar, Mr. Prashant Shetty and Mr. Chetan Gandhi 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 notice(s) together with deposit(s), as provided under Section 257 of the Companies Act, 1956, from a Member proposing the appointment of Mr. N. Shridhar, Mr. Prashant Shetty and Mr. Chetan Gandhi. Approval of Members is being sought at the ensuing Annual General Meeting.

The Board of Directors had also appointed Ms. Dimple Sanghi, Mr. Sanjay Gujral, Mr. Amit Manocha and Mr. Kazi Arif Uz Zaman as Additional Directors with effect from 24<sup>th</sup> December, 2009. Due to their resignations, Ms. Sanghi, Mr. Gujral, Mr. Manocha and Mr. Kazi ceased to be the Directors of the Company with effect from 3<sup>rd</sup> May, 2010.

During the year under review, Mr. Shishir Baijal with effect from 6<sup>th</sup> May, 2010 and Mr. Ashutosh Lavakare and Mr. P. M. Devaiah with effect from 24<sup>th</sup> December, 2009, resigned from the Board of Directors of the Company.

Your Directors place on record their appreciation for the services rendered by the aforesaid Directors who resigned from the Board of Directors of the Company, during their association with the Company.

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

## **AUDITORS & AUDITORS REPORT**

M/s. S. R. Batliboi & Co., the Auditors of the Company, who hold office until the conclusion of the ensuing Annual General Meeting being eligible for the re-appointment, have given the Company a notice in writing of their unwillingness to be re-appointed as the Auditors of the Company for the financial year 2010-11.

The Company has received a notice in writing from a Member signifying its intention to propose the appointment of M/s. S. V. Ghatalia & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company from the conclusion of the Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. S. V. Ghatalia & Associates, Chartered Accountants, have expressed their willingness to act as the Auditors of the Company, if appointed and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

A proposal seeking their 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 neither does it intend to raise any public deposit during the current financial year.

## **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**

There are no particulars to be disclosed in respect of employees drawing remuneration requiring disclosure under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

## **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 31<sup>st</sup> March, 2010, 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 loss 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 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 31<sup>st</sup> March, 2010, on a going concern basis.

**COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956.**

The Compliance Certificate under Section 383A of the Companies act, 1956 issued by Ms. Chitra Iyer, Company Secretary in Practice, for the year ended 31<sup>st</sup> March 2010, is attached and forms part of this report. (Annexure – A)


**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 the Company's business associates for their valuable guidance and support. The Directors wish to express sincere appreciation for their continued co-operation and assistance.

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**



  
**N. Shridhar**  
Director

  
**Chetan Gandhi**  
Director

Date : 24<sup>th</sup> May, 2010  
Place : Mumbai

**Auditors' Report**

To,  
The Members of Ambit Investment Advisory Company Limited

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

24 MAY 2010



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

Re: Ambit Investment Advisory Company Limited (the 'Company')

- (i) The Company does not have any fixed assets therefore provisions of Clause 4(i) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (ii) The Company does not have any inventory therefore provisions of Clause 4(ii) 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) (a), (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 loans from a Company covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4 (iii) (e), (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 sale of services. The activities of the Company do not involve purchase of inventory and the 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 and accordingly the question on commenting on whether there is a continuing failure to correct major weakness in the internal control system of the Company does not arise.
- (v) According to the information and explanations provided by the management, we are of the opinion that, during the year, 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.
- (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) As informed to us, Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) 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, rules related to the amount of cess under Section 441A of the Act has not been notified by the Central Government of India up to the reporting date and accordingly, as at the reporting date there is no statutory due payable under section 441A of the Act.



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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 been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company does not have 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 respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (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) As informed to us, the Company has not raised any term loans during the year. Hence provision of clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
- (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) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures during the year and hence provision (xix) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
- (xx) As informed to us, the Company has not raised any money by way of public issues during the year. Hence the provision of clause (xx) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.



# **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

Mumbai, May 24, 2018





**Ambit Investment Advisory Company Limited**  
**Balance Sheet as at March 31, 2010**

Amount in rupees  
**As at**  
**March 31, 2009**

	Schedules	As at March 31, 2010	
<b><u>SOURCES OF FUNDS</u></b>			
<b>SHAREHOLDERS' FUND:</b>			
Share capital	1	22,500,000	22,500,000
Reserves and Surplus	2	-	157,735
		<b>22,500,000</b>	<b>22,657,735</b>
<b>LOAN FUNDS:</b>			
Unsecured loans	3	26,700,000	-
<b>TOTAL</b>		<b>49,200,000</b>	<b>22,657,735</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>INVESTMENTS</b>	4	46,903,194	11,792,524
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>			
Cash and bank balances	5	27,002	10,541,394
Loans and advances	6	63,231	439,883
		<b>90,233</b>	<b>10,981,277</b>
<b>LESS: CURRENT LIABILITIES:</b>			
Current liabilities	7	1,942,846	116,066
		<b>1,942,846</b>	<b>116,066</b>
<b>NET CURRENT ASSETS</b>		<b>(1,852,613)</b>	<b>10,865,211</b>
<b>PROFIT AND LOSS ACCOUNT</b>		4,149,419	-
<b>TOTAL</b>		<b>49,200,000</b>	<b>22,657,735</b>
Notes to accounts	11		

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

Place : Mumbai  
 Date : 24 MAY 2010



For and on behalf of the Board of Directors of  
 Ambit Investment Advisory Company Limited

*[Signature]*  
 Director

*[Signature]*  
 Director

Place : Mumbai  
 Date : 24 MAY 2010



**Ambit Investment Advisory Company Limited**  
**Profit and Loss Account for the year ended March 31, 2010**

*Amount in rupees*


	Schedules	For the year ended March 31, 2010	For the year ended March 31, 2009
<b><u>INCOME</u></b>			
Income from operations		-	-
Other income	8	1,239,382	1,327,642
		<u>1,239,382</u>	<u>1,327,642</u>
<b><u>EXPENDITURE</u></b>			
Administration and other expenses	9	358,425	142,979
Financial expenses	10	3,818,547	-
		<u>4,176,972</u>	<u>142,979</u>
<b>Profit / (loss) before tax</b>		<b>(2,937,590)</b>	<b>1,184,663</b>
Provision for taxation:			
Current tax		1,369,564	57,000
MAT credit entitlement		-	(57,000)
		<u>1,369,564</u>	<u>-</u>
<b>Profit / (loss) after tax</b>		<b>(4,307,154)</b>	<b>1,184,663</b>
Less: Prior year expenses		-	73,764
		<u>(4,307,154)</u>	<u>1,110,899</u>
Balance brought forward previous year		157,735	(953,164)
<b>Balance carried to Balance Sheet</b>		<b><u>(4,149,419)</u></b>	<b><u>157,735</u></b>
<b>Earnings per share [Basic and diluted]</b> (refer note C4 of schedule 11)]		<b>(1.91)</b>	<b>0.49</b>

Notes to accounts

11

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

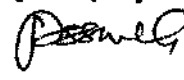
  
 For S. R. Batliboi & Co.  
 Firm Registration No.301003E  
 Chartered Accountants

per Hemal Shah  
 Partner  
 Membership No.: 42650

Place : Mumbai  
 Date : 24 MAY 2010

For and on behalf of the Board of Directors of  
 Ambit Investment Advisory Company Limited

  
 Director

  
 Director

Place : Mumbai  
 Date : 24 MAY 2010



**Ambit Investment Advisory Company Limited**  
**Cash Flow Statement for the year ended March 31, 2010**

*Amount in Rupees*

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>A. Cash Flow from Operating Activities</b>		
Net profit/ (loss) before tax	(2,937,590)	1,184,663
<b>Adjustments:</b>		
Interest income	(57,904)	(570,238)
Profit on sale of shares	(731,130)	(721,077)
Dividend Income	(450,348)	(36,327)
Financial Expenses	3,818,547	-
<b>Operating profit before working capital changes</b>	<b>(358,425)</b>	<b>(142,979)</b>
<b>Adjustments:</b>		
( Increase)/ Decrease in loans and advances	177,982	(177,982)
( Decrease)/ Increase in current liabilities	(1,328,376)	16,074
	<b>(1,508,818)</b>	<b>(304,887)</b>
Prior year items	-	(73,764)
Taxes paid (Incl. Deduction of Tax at Source)	(1,170,894)	(80,469)
<b>Net Cash from Operating Activities (A)</b>	<b>(2,679,712)</b>	<b>(439,120)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Investments	(105,334,205)	(4,533,438)
Sale of Investments	70,954,665	13,451,709
Interest income	57,904	570,238
Dividend Income	450,348	721,077
<b>Net Cash from Investing Activities (B)</b>	<b>(33,871,289)</b>	<b>10,209,586</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from borrowings	83,900,000	-
Repayment of borrowings	(57,200,000)	-
Financial Expenses	(663,391)	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>26,036,609</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalent during the Year (A+B+C)</b>	<b>(10,514,392)</b>	<b>9,770,466</b>
<b>Cash and Cash equivalents, beginning of the year</b>	<b>10,541,394</b>	<b>770,929</b>
<b>Cash and Cash equivalents, end of the year</b>	<b>27,002</b>	<b>10,541,394</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	-	60
<b>Balance with scheduled banks:</b>		
- in current account	27,002	294,379
- in fixed deposits	-	10,246,955
	<b>27,002</b>	<b>10,541,394</b>

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

Place : Mumbai  
 Date :

24 MAY 2010



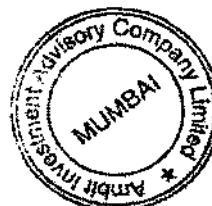
For and on behalf of the Board of Directors of  
 Ambit Investment Advisory Company Limited

*[Signature]*  
 Director

*[Signature]*  
 Director

Place : Mumbai  
 Date :

24 MAY 2010



**Ambit Investment Advisory Company Limited**  
Schedules forming part of the Balance Sheet

	As at March 31, 2010	Amount in rupees As at March 31, 2009
<b>SCHEDULE 1</b>		
<b>Share Capital</b>		
<b>Authorised Share Capital</b>		
2,600,000 (Previous year : 2,500,000) equity shares of Rs. 10/- each	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
<b>Issued, Subscribed &amp; paid-up Capital</b>		
2,250,000 (Previous year : 2,250,000) equity shares of Rs.10/- each fully paid up. (Out of the above, 2,250,000 (Previous year: 2,250,000) shares are held by the Holding Company, viz. Future Capital Holdings Limited & its nominee	22,500,000	22,500,000
	<u>22,500,000</u>	<u>22,500,000</u>
<b>SCHEDULE 2</b>		
<b>Reserves and Surplus</b>		
Profit and Loss Account	-	157,735
	-	<u>157,735</u>
<b>SCHEDULE 3</b>		
<b>Unsecured Loans</b>		
From holding company viz. Future Capital Holdings Limited [Repayable on demand Rs. 25,300,000 (Previous year : Rs. Nil)] [Maximum balance outstanding Rs. 82,966,329 (Previous year : Rs. Nil)]	28,700,000	-
	<u>26,700,000</u>	<u>-</u>
<b>SCHEDULE 4</b>		
<b>Investments</b>		
<b>A. Long term investments (At cost)</b>		
<b>Equity Shares (Quoted) (non-trade)</b>		
Equity shares of Rs 10 each fully paid in Siyeram Silk Mills Limited	Quantity* - (30,853)	7,259,085
Equity shares of Rs 2 each fully paid in AirCargo Global Logistics Limited	300,000 (-)	-
	<u>46,903,194</u>	<u>7,259,085</u>
	<u>46,903,194</u>	<u>7,259,085</u>
<b>B. Current investments</b>		
<b>Unquoted (non-trade)</b>		
ICICI Prudential Daily Dividend Reinvestment (Net Asset Value Rs. Nil; Previous year: Rs. 4,533,438)	- (453,321)	4,533,438
	<u>46,903,194</u>	<u>11,792,523</u>
Aggregate value of quoted investments	46,903,194	7,259,085
Aggregate value of unquoted investments	-	4,533,438
Market value of quoted investments	55,785,000	1,578,131
<b>Details of Investments purchased and sold during the year</b>		
Gammon India Limited	Quantity* 300,000 (-)	50,400,000
*(figures in bracket relates to previous year figures )		
<b>SCHEDULE 5</b>		
<b>Cash and Bank Balance</b>		
Cash on hand	-	60
Balance with scheduled banks:		
- in current account	27,002	294,379
- in fixed deposits	-	10,246,955
	<u>27,002</u>	<u>10,541,384</u>
<b>SCHEDULE 6</b>		
<b>Loans and Advances</b>		
(Unsecured, considered good)		
Advance payment of income taxes including tax deducted at source (net of provisions)	20,639	219,309
Fringe Benefit Tax (net of provision for taxes)	42,592	42,592
Interest Accrued but not due	-	120,982
MAT credit receivable	-	57,000
	<u>63,231</u>	<u>439,883</u>
<b>SCHEDULE 7</b>		
<b>Current Liabilities</b>		
<b>Sundry creditors (Refer note C6 of Schedule 11)</b>		
-Due to micro enterprises and small enterprises	98,002	104,642
-Due other than micro enterprises and small enterprises	1,809,342	-
Interest accrued but not due	35,502	11,424
Other liabilities	<u>1,942,846</u>	<u>116,066</u>



**Ambit Investment Advisory Company Limited**  
Schedules forming part of the Profit and Loss Account

	<b>For the year ended March 31, 2010</b>	<i>Amount in rupees</i> <b>For the year ended March 31, 2009</b>
<b>SCHEDULE 8</b>		
<b>Other Income</b>		
Interest Income (TDS Rs. 9,511; Previous year: Rs. 117,469)	57,904	570,238
Profit on sale of shares (net)	731,130	721,077
Dividend Income	450,348	36,327
	<b>1,239,382</b>	<b>1,327,642</b>
<b>SCHEDULE 9</b>		
<b>Administrative and Other Expenses</b>		
Rates and taxes	2,440	6,503
Security Transaction tax	194,785	-
Demat account charges	25,630	-
<u>Auditor's remuneration</u>		
- Audit fees	58,191	55,150
- out of pocket expenses	4,810	-
Legal and professional	72,509	77,402
Bank charges	-	2,424
Miscellaneous expenses	60	1,501
	<b>358,425</b>	<b>142,979</b>
<b>SCHEDULE 10</b>		
<b>Financial Expenses</b>		
Interest on loan	3,818,547	-
	<b>3,818,547</b>	<b>-</b>



**Ambit Investment Advisory Company Limited**

**Schedules forming part of the Balance Sheet and Profit and Loss Account for the year ended March 31, 2010**

**SCHEDULE 11  
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**A. Background**

Ambit Investment Advisory Company Limited was incorporated on August 3, 2005 and is involved in the business of providing financial, investment advisory services, management and facilitation services. Ambit Investment Advisory Company Limited is a wholly owned Subsidiary of Future Capital Holdings Limited

**B. Significant accounting policies**

**1. Basis of Accounting**

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 financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**2. Use of Estimates**

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

**3. Revenue Recognition**

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

**Interest:**

Interest is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**Dividend:**

Dividend income is recognised when the right to receive dividend is established.

**Profit on sale:**

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

**4. 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.



SCHEDULE 11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

5. 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.

6. Taxation

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

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

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

7. Earnings Per Share

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

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

8. Cash and Cash Equivalents

Cash and Cash equivalents in the balance sheet comprise cash at bank and in hand.



**Ambit Investment Advisory Company Limited**

Schedules forming part of the Balance Sheet and Profit and Loss Account for the year ended March 31, 2010

**SCHEDULE 11**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**C. NOTES TO ACCOUNTS**

**1. Contingent Liability**

Contingent liabilities as at March 31, 2010 – Rs. Nil (Previous year – Rs. NIL).

**2. Capital Commitment**

Estimated amounts of contracts remaining to be executed on capital account not provided for amounts to Rs. Nil (Previous year – Rs. NIL).

**3. Related Party Disclosure**

**a) Name and relationship with parties:-**

**Parties where control exists:**

Ultimate Holding Company      Pantaloon Retail (India) Limited.

Holding Company                      Future Capital Holdings Limited

**Other related parties with whom the Company has entered into transactions during the year:**      None

**Fellow Subsidiaries**                      Kshitij Investment Advisory Company Limited  
    Future Capital Investment Advisors Limited

**b) Transactions with Related Party**

Nature of transaction	Holding Company		Fellow Subsidiaries	
	2009-10	2008-09	2009-10	2008-09
ICDs / Loan taken	82,500,000	-	-	-
Repayment of ICD/ Loans	55,800,000	-	-	-
Interest expense	3,818,547	-	-	-
Reimbursement of expenses	1,030,119	2,820	-	-
<b>Closing Balances:</b>				
Share Capital	-	22,500,000	-	-
Loans Payable/(Receivable)	26,700,000	-	-	-





Schedules forming part of the Balance Sheet and Profit and Loss Account for the year ended March 31, 2010

**SCHEDULE 11  
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**4. Earnings Per Share**

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

Particulars	Year ended	Year ended
	March 31, 2010	March 31, 2009
	Rs.	Rs.
Net profit considered for EPS calculation	(4,307,154)	1,110,899
Weighted average number of equity shares outstanding during the year	2,250,000	2,250,000
Nominal value per share	10	10
Basic and dilutive EPS	(1.91)	0.49

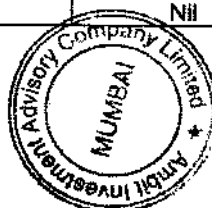
**5. Segment Reporting**

Since the company operates in a single segment of providing investment advisory services, no disclosure is required by AS-17 Segmental Reporting.

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

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

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



**Ambit Investment Advisory Company Limited**

**Schedules forming part of the Balance Sheet and Profit and Loss Account for the year ended March 31, 2010**

**SCHEDULE 11**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**7. Deferred Tax Assets**

As a matter of prudence, the Company has not recognized deferred tax asset in respect of timing difference related unabsorbed business loss at the end of the year.

**8. Additional Information Pursuant to Schedule VI**

Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 is not provided, as certain requirements are not applicable to the Company and in respect of remaining disclosure requirements there are no transactions requiring disclosure of information.

**9. Prior year Comparatives**

Previous year's numbers are regrouped and reclassified wherever necessary.

---

As per our Report of even date attached

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

*Hemal Shah*

per Hemal Shah  
Partner  
Membership No : 42650

Place: Mumbai  
Date:

24 MAY 2010



For and on behalf of the Board of Directors  
Ambit Investment Advisory Company Limited

*[Signature]*  
Director

*[Signature]*  
Director

Place: Mumbai  
Date:

24 MAY 2010

