

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL HIGHLIGHTS

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
Income from Operations	10,894,387	5,970,509
Other Income	1,440,593	5,338,050
Total Income	12,334,980	11,308,560
Personnel expenses	903,621	1,105,744
Administration and other expenses	350,758	2,174,937
Depreciation / amortization	2,823	10,462
Financial expenses	7,384	11,241
Total Expenditure	1,264,586	3,302,384
Profit/(Loss) before taxation and prior period items	11,070,394	8,006,176
Provision for taxation :		
Current Tax	3,311,760	1,190,000
Deferred Tax	7,819	197,494
Fringe Benefit Tax		9,702
Income tax of earlier years		300,000
Profit/(loss) after tax and before prior period items	7,750,815	6,308,980
Less: Transfer to Reserve Fund under Section 45(IC) of the RBI Act, 1934	1,550,163	1,261,796
Net profit/(loss) for the year	6,200,652	5,047,184
Balance brought forward previous year	7,887,732	2,840,548
Balance carried forward to Balance Sheet	14,088,384	7,887,732

The total income of the Company during the year stood at Rs. 12,334,980/- and the profit after tax was Rs. 7,750,815/-.

BUSINESS REVIEW

Your Directors are optimistic of the performance of the Company during the current financial year in view of the growth plans of the Company in the existing loan and finance business, as well as the proposed new business activities in mutual fund / asset management business.

Your Company has approached the relevant regulatory authority(ies) for undertaking the activities in relation to Mutual Fund / Asset Management, by seeking approval / registration under the applicable regulations for undertaking such activities.

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

Mr. N. Shridhar, Director, was appointed as the Whole-time Director designated as the 'Executive Director' of the Company with effect from 3rd May, 2010, for a term of 5 years without any remuneration. In terms of Article 25 of the Articles of Association of the Company, Mr. N. Shridhar retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Approval of Members is being sought at the ensuing Annual General Meeting.

Mr. Krishan Kant Rathi was appointed as an Additional Director with effect from 3rd May, 2010, by the Board of Directors by passing a resolution through circulation. In terms of Section 260 of the Companies Act, 1956 and Article 26 of the Articles of Association of the Company, Mr. Krishan Kant Rathi holds office as an Additional Director up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received requisite notice together with deposit, as provided under Section 257 of the Companies Act, 1956 from a Member proposing the appointment of Mr. Krishan Kant Rathi. Approval of Members is being sought at the ensuing Annual General Meeting.

Mr. Sameer Sain and Mr. Dhanpal Jhaveri ceased to be the Directors of the Company due to their resignation, with effect from 15th February, 2010 and 3rd May, 2010, respectively and Mr. Pankaj Thapar resigned from the office of Executive Director and the directorship of the Company with effect from 3rd May, 2010. 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 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.

The Board, *vide* a resolution passed on 3rd May, 2010, reconstituted the Audit Committee. The Committee presently comprises of Mr. Vijay Kumar Chopra, Mr. Krishan Kant Rathi and Mr. N. Shridhar.

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, 2010, 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, 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 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, 2010, 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 its bankers, regulatory authorities including the Reserve Bank of India and Ministry of Corporate Affairs 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.

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

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 : 24th May, 2010
Place : Mumbai

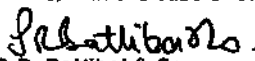

Krishan Kant Rathi
Director


N. Shridhar
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, 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 profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.


For S.R. Batliboi & Co.
Firm registration 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: 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) (a) The Company does not have any inventory. Hence, the provisions of Clause 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (iii) (a) 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 provision of clause (4) (iii) (a), (b), (c) and (d) are not applicable to the Company.
- (b) As informed, 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. Hence the provisions of clause (4) (iii) (e), (f) and (g) 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 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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix)(a) 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 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 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 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. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Hence, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.



S.R. BATLIBOI & CO.

Chartered Accountants

- (xvi) The Company did not have any term loans outstanding 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 used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) As informed to us, the Company has not raised any money by way of public issues during the year. Hence, the provision of clause (xx) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.


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

per Hemal Shah
Partner
Membership No.: 42650
Mumbai
Date: May 24, 2010



Future Finance Limited
Balance Sheet as at March 31, 2010

Amount in Rupees


	Schedules	As at March 31, 2010	As at March 31, 2009
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share capital	1	107,500,000	107,500,000
Reserves and surplus	2	<u>17,474,852</u>	<u>9,724,037</u>
		124,974,852	117,224,037
Total		<u>124,974,852</u>	<u>117,224,037</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross block	3	259,008	259,008
Less: Accumulated depreciation		<u>(250,314)</u>	<u>(247,491)</u>
Net block		8,694	11,517
Investments	4	17,409,912	5,210,836
Deferred tax assets (net) (Refer note C-1 of Schedule 15)		45,792	53,612
Current assets, loans and advances			
Loans/Lease	5	104,846,721	101,533,245
Sundry Debtors	6	-	123,570
Cash and bank balances	7	329,710	7,739,660
Loans and advances	8	<u>2,839,609</u>	<u>2,756,942</u>
	(A)	108,016,040	112,153,417
Less: Current liabilities and provisions			
Current liabilities	9	<u>505,586</u>	<u>205,345</u>
	(B)	505,586	205,345
Net current assets	(A-B)	107,510,454	111,948,072
		<u>124,974,852</u>	<u>117,224,037</u>

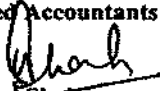
Notes to Accounts

15


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

As per our report of even date


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


per Hemal Shah
Partner
Membership No. 42650

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

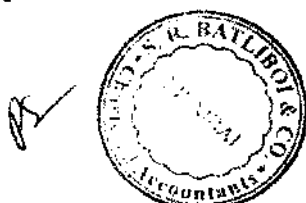

Director


Director


Rohit Blaise
Company Secretary

Place : Mumbai
Date : 24/5/10

Place : Mumbai
Date :



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

		<i>Amount in Rupees</i>	
Schedules		For the year ended March 31, 2010	For the year ended March 31, 2009
Income			
Income from operation	10	10,894,387	5,970,509
Other Income	11	1,440,593	5,338,050
Total		12,334,980	11,308,560
Expenditure			
Personnel expenses	12	903,621	1,105,744
Administration and other expenses	13	350,758	2,174,937
Depreciation / ammortisation	3	2,823	10,462
Financial expenses	14	7,384	11,241
Total		1,264,586	3,302,384
Profit before tax		11,070,394	8,006,176
Provision for tax:			
- Current tax		3,311,760	1,190,000
- Deferred tax		7,819	197,494
- Fringe benefit tax		-	9,702
- Income tax of earlier years		-	300,000
Profit after tax		7,750,815	6,308,980
Transfer to reserve under section 45 (1C) of the Reserve Bank of India ('RBI') Act, 1934		1,550,163	1,261,796
Profit available for appropriation		6,200,652	5,047,184
Balance brought forward from previous year		7,887,732	2,840,548
Balance carried to Balance Sheet		14,088,384	7,887,732

Earnings per share (Refer Note C6 of Schedule 15)

Basic and Diluted	0.72	0.59
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Notes to Accounts 15

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. 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

[Signature]
 Director

[Signature]
 Director

[Signature]
 Rohit Bhase
 Company Secretary

Place : Mumbai

Date : 24 MAY 2010

Place : Mumbai

Date : 24 MAY 2010



Future Finance Limited
Cash Flow Statement for the year ended March 31, 2010

	For the year ended March 31, 2010	Amount in Rupees For the year ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,070,394	7,706,176
Adjustments for:		
Depreciation	2,823	10,462
Loss on sale of fixed assets (net)	-	4,595
Bad-debts written-off / provided	-	903,129
Miscellaneous expenditure written-off	-	16,499
Interest income from investments	(90,968)	(1,818,438)
Profit on Sale of Investments	(1,149)	(9,000)
Dividend Received	(1,348,476)	(3,510,613)
Operating profit before working capital changes	9,632,624	3,302,812
Movement in working capital:		
(Increase)/Decrease in Loans/ Lease receivables	(3,312,927)	(85,757,898)
(Increase)/ Decrease in Sundry debtors	123,570	(605,393)
(Increase)/ Decrease in Loans and advances	(81,950)	(1,259,218)
(Decrease)/ Increase in Current liabilities	300,241	(43,794)
Cash from operations	6,661,559	(84,363,493)
Taxes paid	(3,312,476)	(1,314,631)
Net cash used in operating activities	3,349,083	(85,678,124)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	-	15,111
Proceeds from sale of investment	-	245,048,943
Purchase of investments	-	(239,729,526)
Interest income from investments	90,968	1,818,438
Dividend Received	1,348,476	3,510,613
Profit on Sale of Investments	1,149	9,000
Net cash used in investing activities	1,440,593	10,672,578
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	4,789,676	(75,005,544)
Cash and cash equivalents at the beginning of the year	12,931,046	87,936,590
Cash and cash equivalents at the end of the year	17,720,722	12,931,046
	As at March 31, 2010	As at March 31, 2009
Cash and Cash equivalents comprises of :		
Cash on hand	2,880	-
Balance with scheduled banks:		
- on current account	126,830	1,739,660
- on fixed deposit account	200,000	6,000,000
Short term investments in liquid mutual funds	17,391,012	5,191,386
	17,720,722	12,931,046

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

Hemal Shah
 Director

Ahlati
 Director

Rohit Bhas
 Company Secretary

Place : Mumbai

Date :

24 MAY 2010

AS



Place : Mumbai

Date :

26 MAY 2010



Future Finance Limited
Schedules forming part of the Balance Sheet

	<i>Amount in Rupees</i>	
	As at March 31, 2010	As at March 31, 2009
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	107,500,000	107,500,000
[Out of the above, 10,749,970 (Previous year: 10,749,970) equity shares are held by Future Capital Holdings Limited, the Holding Company].		
Total	<u>107,500,000</u>	<u>107,500,000</u>
SCHEDULE 2		
Reserves and surplus		
Reserve under Section 45 (1C) of the RBI Act		
Balance as per last Balance Sheet	1,836,305	574,509
Add : Transferred from profit and loss account	<u>1,550,163</u>	<u>1,261,796</u>
	3,386,468	1,836,305
Profit & Loss Account		
Balance carried from profit and loss account	14,088,384	7,887,732
Total	<u>17,474,852</u>	<u>9,724,037</u>



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Schedules forming part of the Balance Sheet

SCHEDULE 3: Fixed Assets

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance as on 01-Apr-09	Additions during the year	Del/adj during the year	Balance as on 31-Mar-10	Balance as on 01-Apr-09	Additions during the year	Del/adj during the year	Balance as on 31-Mar-10	Balance as on 31-Mar-09
Office Equipment	70,766	-	-	70,766	63,924	951	-	5,891	6,842
Computers	188,242	-	-	188,242	183,567	1,872	-	2,803	4,675
Total	259,008	-	-	259,008	247,491	2,823	-	8,694	11,517
Previous year	301,471	-	42,463	259,008	259,786	10,462	22,757	11,517	-



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Future Finance Limited
Schedules forming part of the Balance Sheet

	<i>Amount in Rupees</i>	
	As at March 31, 2010	As at March 31, 2009
SCHEDULE 4		
Long term Investments (At cost) (Unquoted)		
In Government Securities:(non-trade)		
Government Bonds	18,900	19,450
Current Investments (At lower of cost or net asset value)		
Unquoted (non-trade)		
Investments in Mutual funds :	17,391,012	5,191,386
173,872 (Previous year: 519,113) units of KICIT Prudential Liquid Super Institutional Plan-Div-Daily , Face value of Rs 100/- each fully paid up		
Total	17,409,912	5,210,836
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	17,409,912	5,210,836
Net realisable value of units in mutual funds	17,391,011	5,191,386
Details of investments purchased and sold during the year		
	No. of units*	Cost*
LICMF -Liquid Fund -Dividend Plan	- (7,853,442)	- (86,231,574)
LICMF Income Plus Fund -Daily Dividend Plan	- (13,444,460)	- (134,444,604)
<i>*(figures in bracket relates to previous year figures)</i>		
SCHEDULE 5 (Refer Note 5 of Schedule 15)		
Loans/Lease		
Loans receivable	-	62,222
Vehicles on finance lease	27,265,927	30,814,485
Loans / Inter corporate deposits to fellow subsidiaries	77,580,794	70,656,538
Total	104,846,721	101,533,245
SCHEDULE 6		
Sundry Debtors		
(Refer Note C4 of Schedule 15)		
(Unsecured, considered good)		
Due from Holding Company	-	123,570
Total	-	123,570
SCHEDULE 7		
Cash & bank balances		
Cash on hand	2,880	-
Balance with scheduled banks:		
- in current account	126,830	1,739,660
- in fixed deposit account	200,000	6,000,000
(* Fixed Deposit of Rs. 2,00,000/- is pledged with Sales Tax Authorities)		
Total	329,710	7,739,660
SCHEDULE 8		
Loans and advances (unsecured , considered good)		
Interest accrued but not due on fixed deposits	5,756	258,745
Advance taxes (net of provision for taxes)	601,615	600,898
Security deposits	61,750	61,750
Advances recoverable in cash or in kind or for value to be received	2,170,488	1,835,549
Total	2,839,609	2,756,942
SCHEDULE 9		
Current Liabilities		
Sundry creditors		
(Refer Note C-8 of Schedule 15)		
- Due to micro and small enterprizes	-	151,224
- Due other than micro and small enterprizes	249,435	-
Other liabilities	256,151	54,121
Total	505,586	205,345



Future Finance Limited
Schedules forming part of the Balance Sheet

	For the year ended March 31, 2010	Amount in Rupees For the year ended March 31, 2009
SCHEDULE : 10		
Income from Operations		
Interest income on loans (TDS Rs. Nil, Previous Year - Rs Nil)	-	387,922
Interest on car lease rental (TDS Rs. 984,610, Previous Year Rs. 737,961)	4,096,190	3,154,744
Interest income on inter corporate deposits (TDS Rs. 1,055,671, Previous year Rs. 517,548)	6,660,269	2,283,968
Profit on sale of Leased Assets	86,588	143,875
Bad Debt Recovery	51,340	-
	10,894,387	5,970,509
SCHEDULE : 11		
Other Income		
Interest income from Fixed Deposit (TDS Rs. 70,436; Previous year Rs. 320,396)	90,968	1,818,438
Dividend Received	1,348,476	3,510,613
Profit on Sale of Investments	1,149	9,000
	1,440,593	5,338,050
SCHEDULE 12		
Personnel expenses		
Salaries, wages and allowances	903,621	1,091,006
Staff welfare	-	14,738
	903,621	1,105,744
SCHEDULE 13		
Administrative and other expenses		
Rates & Taxes	8,159	283,117
Insurance Charges	-	3,423
Repairs and maintenance	24,980	9,600
Travelling expenses	27,325	44,631
Communication expenses	7,927	40,729
Printing and stationery	1,526	10,178
Legal and professional expenses	172,942	585,398
Advertisement Expenses	-	1,500
Payment to auditors :		
- Audit fees	50,000	50,000
- Auditors - in other capacity	-	55,715
- Out of pocket expenses	5,087	2,442
Advances Written off	-	32,500
Bad debts write off	-	903,129
Miscellaneous balances written off	-	16,499
Loss on sale of fixed assets	-	4,595
Loss on sale of repossess assets	-	31,698
Loss on Assignments of Loan	-	57,158
Director Sitting Fees	40,000	10,000
Miscellaneous expenses	12,812	32,625
	350,758	2,174,937
SCHEDULE 14		
Finance Charges		
Bank charges	7,384	11,241
	7,384	11,241



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Background

Future Finance Limited (formerly Sivagami Finance and Investments 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'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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.

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

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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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, unmatured finance charges and unmatured 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

7) Taxation

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

Handwritten initials and a circular stamp, possibly a company seal or signature mark.



Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized. 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 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

C NOTES ON ACCOUNTS

1. Deferred tax

Particulars	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
<u>Deferred Tax Asset</u>		
On depreciation	45,792	53,612
Deferred tax assets	45,792	53,612

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 (formerly Indivision Investment Advisors Limited)

Kshitij Investment Advisory Company Limited

Other Associates

Realterm FCH Logistics Advisors Pvt. Ltd.

Key Management Personnel

Pankaj Thapar



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Related party disclosure (contd)

b) Transactions with related parties

Particulars	Holding Company		Fellow Subsidiary Company		Other Associates Entity		Total	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Income								
Interest income from Car Loan	31,23,293	25,03,708	4,67,395	3,37,708	5,05,509	3,13,328	40,96,197	31,54,744
Processing fees	-	-	-	-	-	-	-	-
Rental income on immovable property	-	-	-	-	-	-	-	-
Interest on ICD	-	-	66,60,269	9,60,132	-	-	66,60,269	9,60,132
Expenditure								
Expenses reimbursed	163,740	3,58,896	-	-	-	-	163,740	3,58,896
Loans / advances and Share Issued:								
Asset given on Lease	9,85,000	2,48,26,789	2,855,373	1,005,132	1,879,905	2,910,532	5,720,278	28,742,453
Loan Given	-	-	6,30,00,000	72,500,000	-	-	6,30,00,000	72,500,000
Loan Repayment	-	-	5,57,49,462	2,508,000	-	-	5,57,49,462	2,500,000
Share issued	-	-	-	-	-	-	-	-
Amounts recoverable as at year-end								
Loan Receivable (lease Stock)	2,16,49,492	28,103,059	49,14,295	2,778,382	30,30,873	2,665,420	2,95,94,660	33,546,861
Loans Receivable (ICD)	-	-	7,72,50,538	70,656,538	-	-	7,72,50,538	70,656,538
Other (Current Account)	-	123,570	26,186	-	-	-	26,186	123,570



Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Note : Disclosure of Related party transactions more than 10%

Particulars	FY 09-10	FY 08-09
<u>Car Lease Rental</u>		
<u>Fellow Subsidiary</u>		
Kshitij Investment Advisory Company Limited	229,304	274,388
Future Capital Investment Advisors Limited	238,092	63,320
<u>Loan Receivable (Lease Stock)</u>		
<u>Fellow Subsidiary</u>		
Kshitij Investment Advisory Company Limited	1,499,894	1,858,776
Future Capital Investment Advisors Limited	3,414,401	919,606



Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15**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 2010	Maximum amounts due during the year
Forming part of sundry debtors		
Future Capital Holdings Limited	- (1,23,570)	1,171,207 (98,32,729)
Kshitij Investment Advisory Company Limited	- (-)	55,357 (2,21,758)
Real Term FCH Logistics Advisors Private Limited	- (-)	2,091,061 (15,53,773)
Future Capital Investment Advisors Ltd.(Indivision Investment Advisory Company Limited)	- (-)	19,46,001 (55,338)
Forming part of loans		
Future Capital Holdings Limited	21,649,492 (28,103,059)	27,690,965 (29,801,258)
Kshitij Investment Advisory Company Limited	1,499,894 (1,858,776)	1,830,675 (21,48,003)
Future Capital Investment Advisors Ltd.(Indivision Investment Advisory Company Limited)	3,414,401 (919,606)	3,590,444 (979,041)
Real Term FCH Logistics Advisors Private Limited	3,030,873 (26,65,657)	4,501,350 (3,556,837)
Myra Mall Management Company Ltd.	77,580,794 (70,656,538)	77,580,794 (7,25,86,028)

Note: Figures in bracket denote previous year figures



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

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 31 March 2010	As at 31 March 2009
Gross investment for each of the following years:		
■ Not later than one year	11,069,735	10,378,788
■ Later than one year and not later than five years	26,848,342	33,648,198
	37,918,077	44,026,986
Present value of minimum lease payment for each of the following years:		
■ Not later than one year	7,536,725	6,372,148
■ Later than one year and not later than five years	22,676,127	27,175,626
	30,212,851	33,547,774
Un matured finance charges	7,705,226	10,479,213
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, 2010 (Rs.)	For the year ended March 31, 2009 (Rs.)
Net profit considered for basic EPS calculation	7,750,815	6,308,980
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 (Rs.)	0.72	0.59

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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

7. Director's Remuneration:

No remuneration is paid to the directors for the year ended March 31, 2010 and March 31, 2009.

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

The Company has initiated the process of identification of suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006, by obtaining confirmations from suppliers. Based on current information / confirmations available with the Company, the amounts due to suppliers who are registered under the said Act as at March 31, 2010 is as follows:

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

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: Nil)



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Future Finance Limited

Schedules forming part of the financial statements

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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 have been reclassified/re-grouped/re-arranged to confirm with years' presentation, wherever applicable.

As per our Report of even date

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

H Shah

Per Hemal Shah
Partner
Membership No. 42650

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

[Signature]
Director

[Signature]
Director

Rohit Bhase
Company Secretary

Place: Mumbai
Date:

24 MAY 2010

Place: Mumbai
Date:

24 MAY 2010



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