

**Future Capital Home Finance Private
Limited**

Annual Report

2010 - 11

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. V. Vaidyanathan
Mr. Apul Nayyar

STATUTORY AUDITORS

M/s. S. V. Ghatalia & Associates

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

FINANCIAL HIGHLIGHTS

Particulars	(Amount in Rs.)
	Year Ended 31 st March, 2011
Income from operations	-
Other Income	-
Total Income	-
Administration Expenses	-
Legal and Professional fees	15300
Audit fees	55,150
Preliminary expenses written off	161,600
Rates and taxes	-
Total Expenditure	2,32,050
Profit/(Loss) before taxation and prior period items	(2,32,050)
Provision for taxation :	-
Profit/(loss) after tax and before prior period items	(2,32,050)
Prior period expenses (Rates and taxes)	-
Net profit/(loss) for the year	(2,32,050)
Balance brought forward previous year	-
Balance carried forward to Balance Sheet	(2,32,050)

The total income of the Company during the year stood at Rs. Nil, and the loss after tax was Rs. 2,32,050/-. The Company is in the process of taking steps towards obtaining necessary registrations for commencing the operations of the Company as a Housing Finance Company.

DIVIDEND

Your Directors regret their inability to recommend any dividend on equity shares for the financial year under review.

DIRECTORS

Pursuant to the Articles of Association of the Company, Mr. V. Vaidyanathan and Mr. Apul Nayyar were appointed as the First Directors of the Company since incorporation. Pursuant to Section 256 of the Companies Act, 1956, they are liable to retire by rotation and being eligible, offer themselves for re-appointment at the ensuing First Annual General Meeting. Approval of Members is being sought at the ensuing Annual General Meeting.

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

AUDITORS

M/s. S. V. Ghatalia & Associates, being the first Auditors of the Company, hold office until the conclusion of the ensuing First Annual General Meeting, however they 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 2011-12.

The Company has received a notice in writing from a Member signifying its intention to propose the appointment of M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai, as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. S. R. Batliboi & Co., 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 31st March, 2011, the applicable accounting standards had been followed.
- b) that the Directors had 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 had 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 had 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 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	
		Sd/-	Sd/-
Date	: 20 th June, 2011	V. Vaidyanathan	Apul Nayyar
Place	: Mumbai	Director	Director

Auditors' Report

To,
The Members of Future Capital Home Finance Private Limited

1. We have audited the attached Balance Sheet of Future Capital Home Finance Private Limited (the 'Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the period 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. This report does not include a statement on the matters specified in paragraph 4 and 5 of 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, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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 loss for the period ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the period ended on that date.

S.V. Ghatalia & Associates
For S.V. Ghatalia & Associates
Firm Registration No. - 103162W
Chartered Accountants

Amit Kabra

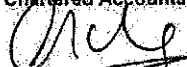
per Amit Kabra
Partner
Membership No. 094533
Date- 20 JUN 2011

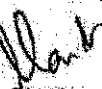
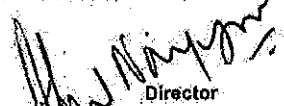


**Future Capital Home Finance Private Limited
Balance Sheet as at March 31, 2011**

	Schedules	Amount in Rupees As at March 31, 2011
SOURCES OF FUNDS		
Shareholders' Funds		
Share capital	1	100,000
Total		100,000
APPLICATION OF FUNDS		
Current assets, loans and advances		
Cash and bank balances	2 (A)	100,000 100,000
Less: Current liabilities and provisions		
Current liabilities	3 (B)	878,450 878,450
Net current assets	(A-B)	(778,450)
Miscellaneous expenditure (to the extent not written off)		646,400
Profit and Loss Account		232,050
Total		100,000
Notes to accounts	4	

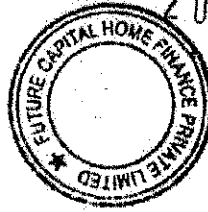
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date,
S.V. Ghatalia & Associates
 For S. V. Ghatalia & Associates
 Firm Registration No. 103162W
 Chartered Accountants

 per Amit Kabra
 Partner
 Membership No. 094533

For and on behalf of the Board of Directors of
 Future Capital Home Finance Private Limited
 Director
 Director

Place : Mumbai
 Date : 20 JUN 2011

Place : Mumbai
 Date : 20 JUN 2011



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Future Capital Home Finance Private Limited

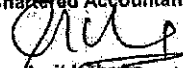
Profit and Loss Account for the period from December 23, 2010 (Date of Incorporation) to March 31, 2011(the 'Period')

Amount in Rupees

Schedules	Period ended March 31, 2011
Income from operations	-
Total	-
Expenditure:	
Audit fees	55,150
Legal and Professional fees	15,300
Preliminary expenses written off	161,600
Total	232,050
Loss before tax	(232,050)
Provision for tax:	
- Current tax	-
- Deferred tax	-
Loss after tax carried to Balance Sheet	(232,050)
Earnings per share (Basic and Diluted) [refer note C4 of Schedule 4]	(23.21)

Notes to accounts

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

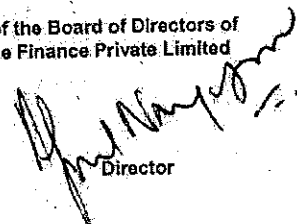
As per our report of even date
S.V. Ghatalia & Associates
 For S. V. Ghatalia & Associates
 Firm Registration No. 103162W
 Chartered Accountants

 per Amit Kabra
 Partner
 Membership No. 094533

Place : Mumbai
 Date : 20 JUN 2011



For and on behalf of the Board of Directors of
 Future Capital Home Finance Private Limited


 Director


 Director

Place : Mumbai
 Date : 20 JUN 2011



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Future Capital Home Finance Private Limited
 Cash Flow Statement for the period December 23, 2010 (Date of Incorporation) to March 31, 2011

	For the period ended March 31, 2011
A. Cash flow from operating activities	
Loss before tax	(232,050)
<u>Adjustments:</u>	
Preliminary expenses writtent off	161,600
Operating profit before working capital changes	(70,450)
<u>Changes in working capital</u>	
(Decrease)/ increase in current liabilities	70,450
Preliminary expenses paid	-
Net cash from operating activities (A)	-
B. Cash flow from financing activities	
Proceeds from issue of share capital	100,000
Net cash flow from financing activities (B)	100,000
Net increase / (decrease) in cash and cash equivalent (A+B)	100,000
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	100,000
Components of cash and cash equivalents	As at March 31, 2011
Balance with scheduled bank on current accounts	100,000
	100,000

As per our report of even date

S.V. Ghatalia & Associates
 For S. V. Ghatalia & Associates
 Firm Registration No. 103162W
 Chartered Accountants

Amit Kabra
 per Amit Kabra
 Partner
 Membership No. 094533

Place : Mumbai
 Date : 20 JUN 2011



For and on behalf of the Board of Directors of
 Future Capital Home Finance Private Limited

[Signature]
 Director

[Signature]
 Director

Place : Mumbai
 Date : 20 JUN 2011



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Future Capital Home Finance Private Limited

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

Amount in Rupees

As at
March 31, 2011

SCHEDULE 1

Share Capital

Authorised

10,000,000 equity Shares of Rs. 10/- each.

100,000,000

100,000,000

Issued, Subscribed & Paid-up

10,000 equity shares of Rs.10/- each fully paid up

100,000

[Out of the above, 10,000 equity shares are held by Future Capital Holdings Limited, the Holding Company and its nominees].

100,000

Total

SCHEDULE 2

Cash and bank balances

Balance with scheduled banks:

- on current account

100,000

Total

100,000

SCHEDULE 3

Current liabilities

Sundry creditors (Refer note C6 of Schedule 4)

872,935

Other liabilities

5,515

878,450



Future Capital Home Finance Private Limited

Schedule forming part of the financial statements

**SCHEDULE 4
Significant Accounting Policies And Notes To Accounts**

A. Background

Future Capital Home Finance Private Limited (the 'Company') was incorporated on December 23, 2010. The Company intends to undertake the business of financing or assisting in the finance of sale of residential properties on lease basis or deferred payment system and development of residential housing by innovative methods. Future Capital Home Finance Private Limited is a wholly owned subsidiary of the Company.

The Company has not yet commenced its business activities during the period. The Company's holding Company viz. Future Capital Holding Limited has informed the Company of its intention of providing operational and financial support to the Company to meet its obligations as they fall due and accordingly, the financial statements have been prepared on a going concern basis.

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.

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.

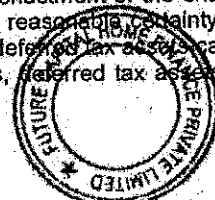
4. Provisions

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.

5. Taxation

Income tax 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. 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



Future Capital Home Finance Private Limited

Schedule forming part of the financial statements

SCHEDULE 4

Significant Accounting Policies And Notes To Accounts

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.

6. Preliminary Expenses

Preliminary expenses are charged to profit and loss account on a straight line basis over a period of 5 years.

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.

C. NOTES TO ACCOUNTS

1. Contingent Liabilities

Contingent liabilities as at March 31, 2011 – Rs. Nil (Previous year: Rs. Nil)

2. Capital Commitments

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
Holding Company

Pantaloon Retail (India) Limited
Future Capital Holdings Limited



Future Capital Home Finance Private Limited

Schedule forming part of the financial statements

SCHEDULE 4

Significant Accounting Policies And Notes To Accounts

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

b) Transactions with Related Parties:

	Holding Company
Nature of transaction	2010-11
Shares issued (including nominees)	100,000
Reimbursement of incorporation expenses	808,300
Closing Balances:	
Receivables/ (Payables)	(808,300)

4. Earnings Per Share

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

Particulars	For the period ended March 31, 2011
	Rs.
Loss after tax	(232,050)
Weighted average number of equity shares for calculating basic and diluted EPS	10,000
Nominal value per share	10
Basic and dilutive EPS	(23.21)

5. Segment Reporting

The Company has not commenced its business activities during the period. Hence, no disclosure is required pursuant to the notified 'AS17 - 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 March 31, 2011
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
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



Future Capital Home Finance Private Limited

Schedule forming part of the financial statements

**SCHEDULE 4
Significant Accounting Policies And Notes To Accounts**

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
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	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

7. Deferred Tax Assets

The Company has not recognized deferred tax asset in respect of timing difference related to preliminary expenses and unabsorbed business loss at the end of the period as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

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 Period Comparatives

This is the first financial statements of the Company since its incorporation, hence there are no previous period figures.

As per our Report of even date attached

S.V. Ghatalia & Associates
For S.V. Ghatalia & Associates
Firm Registration No. 103162W
Chartered Accountants

For and on behalf of the Board of Directors
Future Capital Home Finance Private Limited

[Signature]

per Amit Kabra
Partner
Membership No. 094533

[Signature]

Director

[Signature]

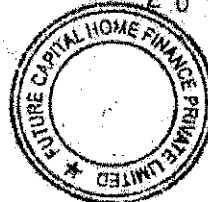
Director

Place: Mumbai

Date: 20 JUN 2011

Place: Mumbai

Date: 20 JUN 2011



Future Capital Home Finance Private 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="978"/>	Total Assets <input type="text" value="978"/>
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Sources of Funds

Paid-up Capital <input type="text" value="100"/>	Reserves and Surplus <input type="text" value="NIL"/>
Secured Loans <input type="text" value="NIL"/>	Unsecured Loan <input type="text" value="NIL"/>
Deferred Tax <input type="text" value="NIL"/>	

Application of Funds

Net Fixed Assets <input type="text" value="NIL"/>	Investments <input type="text" value="NIL"/>
(Please tick appropriate box + for Positive, - for Negative) + - <input type="checkbox"/> <input checked="" type="checkbox"/>	Miscellaneous Expenditure <input type="text" value="646"/>
Net Current Assets <input type="text" value="778"/>	
Accumulated Losses <input type="text" value="232"/>	

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including other income) <input type="text" value="-"/>	Total Expenditure <input type="text" value="232"/>
(Please tick appropriate box + for Profit, - for Loss) + - <input type="checkbox"/> <input checked="" type="checkbox"/>	(Please tick appropriate box + for Profit, - for Loss) + - <input type="checkbox"/> <input checked="" type="checkbox"/>
Profit/Loss Before Tax <input type="text" value="232"/>	Profit/Loss After Tax <input type="text" value="232"/>
(Please tick appropriate box + for Positive, - for Negative) + - <input type="checkbox"/> <input checked="" type="checkbox"/>	Dividend Rate % <input type="text" value="NIL"/>
Earning Per Share (In Rs.) <input type="text" value="23.21"/>	

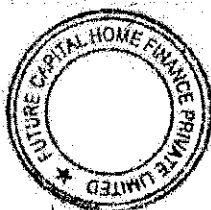
V Generic Names of Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
Not Applicable	Home Finance

For and on behalf of the Board of Directors
 Future Capital Home Finance Private Limited

Director

Director



Place: Mumbai
 Date: