

Driving Innovation with  
INTELLIGENT CAPITAL

## Contents

Corporate Information	01
Vision and Values	02
Introduction	04
Our Businesses	05
Board of Directors	10
Message from the Chairman	12
Message from the Managing Director & Chief Executive Officer	13
Directors' Report	17
Management Discussion and Analysis	23
Report on Corporate Governance	31
Standalone Financial Statements with Auditors' Report	41
Consolidated Financial Statements with Auditors' Report	78

# Corporate Information

## Board of Directors

### Chairman

Mr. Kishore Biyani

### Managing Director & Chief Executive Officer

Mr. Sameer Sain

### Executive Director

Mr. Dhanpal Jhaveri

### Independent Directors

Mr. Ghyanendra Nath Bajpai

Mr. Shailesh Haribhakti

Mr. Alok Oberoi

### Chief Financial Officer

Mr. N. Shridhar

### Chief Operating Officer

Mr. Venkatesh Srinivasan

### General Counsel

Mr. P. M. Devaiah

### Sr. V. P. Legal & Company Secretary

Mr. R. J. Doshi

### Statutory Auditors

S. R. Batliboi & Co

### Bankers

HDFC Bank Limited

YES Bank Limited



Report  junction.com

### Registered Office & Corporate Office

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

Tel No. : +91 22 4043 6000

Fax No.: +91 22 4043 6065

E-mail ID: fch.legal@fch.in

Website: www.fch.in

### Share Transfer Agents

Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai - 400 078.

Tel No.: +91 22 2596 3838

Fax No.: +91 22 2594 6969

## FCH Vision



To be the premier, most trusted and innovative investing business.

## FCH Values

### Responsibility

We will respect the fact that our investors have entrusted us with their capital, our partners with their faith, our customers with their confidence and our employees with their aspirations. We will measure our success by the success of our stakeholders and will work diligently to ensure that we fulfill our fiduciary responsibility.

### Integrity

We firmly believe that the difference between a good business and a great organisation is the integrity of its people. We will conduct ourselves ethically and transparently in all our dealings, both internal and external.

### Leadership

We will maintain an environment which fosters creativity and encourages innovation. We believe that this will enable us to attract, retain and nurture the best talent and develop the business and thought leaders of tomorrow.



### Mutual Respect

We will build an organisation which has a positive mindset. By conducting every interaction with respect and consideration, we will create a self-reinforcing culture of success.

### Community

We believe that it is our responsibility to contribute to the environment in which we operate. By investing in our community, we will not only improve our surroundings today, but also provide better opportunities for future generations.

# Introduction



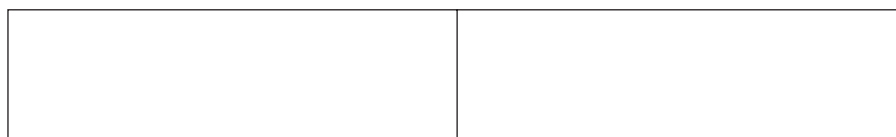
Future Capital Holdings Limited (FCH) is one of the premier listed investment advisors in India with around US\$ 1.1 billion under advice and domain expertise in private equity and real estate. We are also building the infrastructure to create India's first 'consumer-centric' retailer of financial products and services by leveraging the distribution reach and customer base of the Future Group.

As a new age capital management business with an investing mindset, Future Capital Holdings is the third leg in the Indian financial services space beyond the traditional banking and brokerage businesses.

We are part of the Future Group, which has pioneered and established a nation-wide chain of over 1000 retail stores in 61 cities and 65 rural locations across the country.

Future Capital Holdings combines the entrepreneurial skills of world-class professionals from reputed international and domestic companies with the national scale and reach of the Future Group.

# Our Businesses



Investment Advisory

Retail Financial Services

Wholesale Credit



Private Equity   Real Estate   Research

- Assets under advice of over US\$ 1.1 billion
- Talent-led investing platform

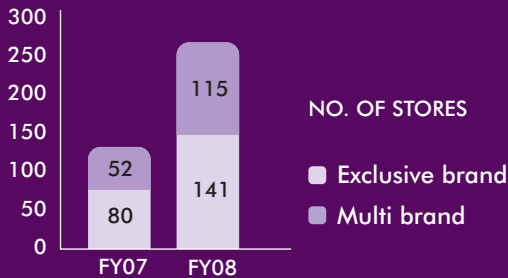
- 145 points of presence in 30 cities
- 'Consumer-centric'; not product-led

- Strong due-diligence capabilities across asset classes
- Access to entrepreneurs through strong relationships

## Investment Advisory - Private Equity

*For us, closing a transaction is just the beginning...*

### Intelligent capital for consumption-led businesses - Lilliput Kidswear Limited



#### Assisted Lilliput with :

- Facilitating access to shelf space in Future Group malls
- Entering new markets: the Middle East, Southeast Asia, China and Egypt.
- Improving the marketing function and roll out of new advertising campaign
- Changing store formats and streamlining of operations
- Designing a performance management system

We advise the Investment Manager of Indivision India Partners, a private equity fund. As investment advisors, we follow a classic private equity mindset of conducting extensive due diligence, building in-house long-term views on industries and avoiding momentum plays.

For us, closing a transaction is just the beginning. We work closely with the investee companies of the Indivision Fund not only to develop business strategy but also to implement growth plans and create operational efficiencies. Our dedicated operations team provides assistance to these companies across a range of functions, including: marketing, organisational design, human resources and supply chain management. We also leverage the Future Group eco-system and its distribution reach to create opportunities across the consumption spectrum and to add value through operational synergies.

Indivision India Partners: a US\$ 425 million international fund, focusing on providing growth capital to businesses which benefit from the growth in consumption and derivatives of consumption and have a nexus to the Indian sub-continent.

## Investment Advisory - Real Estate

*An investment advisor with full development capabilities*

We currently advise the Investment Managers of three funds in the real estate space: a retail-led real estate fund, a retail-led mixed-use real estate fund and a hotel fund. We will also advise the Investment Manager of a logistics fund in the coming fiscal year.

We have over 100 people working in our real estate investing platform and distinguish ourselves as being an investment advisor with full real estate development capabilities. Our capabilities span the entire real estate value chain, including

project evaluation, land acquisition, project conceptualization and design, leasing, property management and investment exits. We draw on the Future Group's strong relationships with retailers, major land owners and developers as well as their understanding of retailing in India for sourcing and evaluation of real estate deals. We also have a strong in-house team of lawyers that identifies and resolves legal issues that we may face in advising on real estate deals. We are currently advising on the development of around 20 million square feet of real estate across 15 cities.



**Kshitij Venture Capital Fund:** a US\$ 90 million domestic fund that invests in developing high quality retail destinations in India. The Fund has invested in developing around 5 million square feet of retail space in 11 high growth Tier II cities.

**Horizon Realty LLC:** a US\$ 350 million international fund that invests in developing 'Market Cities' or integrated destinations for shopping, leisure and entertainment. The Fund is investing in developing around 15 million square feet of retail space across 6 projects in Mumbai, Bangalore, Pune and Hyderabad.

**Indus Hotel Ventures LLC:** a US\$ 200 million international hotel fund that will invest in building business class hotels across the country. The Fund plans to capitalise on the opportunity in India for quality business hotels by leveraging the Future Group's national network and strong deal-sourcing relationships and existing partnerships.

**Indospace Logistics Partners:** a logistics fund being raised through a joint venture with Realterm Global, a leading North American industrial real estate investment firm. The fund will invest in developing industrial warehousing facilities across India.



### Innovative Concept of Mumbai Market City

- Located at Kurla in Mumbai
- Large sized development—around 2.8 million square feet
- Location advantage given its positioning between the western and eastern suburbs
- Proximity to key suburban residential catchments, Bandra Kurla Complex and the domestic and international airports
- Will house different retail formats to target different segments of consumers
- Other developments include hospitality and commercial space
- JV partner has significant experience in retail real estate

## Investment Advisory - Research

*A differentiated voice on India*

Future Capital Research provides thought leadership to assist the process of value creation for FCH's investing platform. This research combines macroeconomic analysis, survey-based fieldwork, in-house data and real-time business experience to provide a differentiated voice on India. We produce longer-term thematic studies as well as shorter-term proprietary indicators focused largely on consumption trends.



## Wholesale Credit

*Unique combination of an investing mindset with robust risk management and credit systems*

Our Wholesale Credit business taps a large and relatively unaddressed market of mezzanine, promoter, project and acquisition financing, and other special situations related financing.

Our strong due-diligence capabilities across asset classes— private equity, real estate and special situations - allow us to appropriately analyze risk. This coupled with our risk management and credit systems, and our access to entrepreneurs and developers through the FCH-Future Group eco-system of partners and suppliers, favorably positions us to grow this business.