



**Annual Report  
2008 - 2009**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Mr. G.N. Bajpai

#### Managing Director

Mr. Kishore Biyani

#### Directors

Mr. Sameer Sain

Mr. Dhanpal Jhaveri

Mr. Anil Harish

Mr. Rakesh Jhunjhunwala

Mr. Pankaj Thapar *(Appointed as an Additional Director w.e.f. 16<sup>th</sup> July, 2009)*

Mr. B. Anand *(Appointed as an Additional Director w.e.f. 16<sup>th</sup> July, 2009)*

### VICE PRESIDENT – FINANCE

Mr. Ashutosh Vidwans

### COMPANY SECRETARY & HEAD-LEGAL

Mr. Manoj Gagvani

### STATUTORY AUDITORS

M/s Deloitte Haskins & Sells

### BANKERS

YES Bank Limited

### REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai- 400 060.

Tel No.: (022) 3084 2200

Fax No.: (022) 3084 2201

Email ID : investor.care@futureventures.in

### REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

*(formerly known as Intime Spectrum Registry Limited)*

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078

Tel No.: (022) 2596 3838

Fax No.: (022) 2594 6969

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## NOTICE

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the Members of Future Ventures India Limited will be held at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai- 400 060 on Wednesday, the 30<sup>th</sup> September, 2009 at 4.00 p.m to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009, the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Sameer Sain, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Dhanpal Jhaveri, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** M/s Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Audit Committee of the Board of Directors be and is hereby authorised to fix their remuneration for the said period and reimbursement of out of pocket expenses as may be incurred in performance of their duties.”

### SPECIAL BUSINESS:

#### 5. Appointment of Mr. Pankaj Thapar as a Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Mr. Pankaj Thapar who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a Member in writing under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Pankaj Thapar for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation.”

#### 6. Appointment of Mr. B. Anand as a Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Mr. B. Anand who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a Member in writing under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. B. Anand for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation.”

#### 7. Place of keeping and inspection of, registers and returns otherwise than at the Registered Office of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in accordance to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force consent be and is hereby accorded to the Company to keep the Register of Members, Index of Members, the Register and Index of Debenture holders and copies of all annual returns prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto and such other registers, returns, deeds and documents as may be permissible in terms of the said provisions (collectively “Registers and Returns”), at the office of the Registrar and Share Transfer Agent of the Company viz. Link Intime India Private Limited, at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 (hereinafter the “R & T Agent”) and/or at such other place(s) where the R & T Agent may shift their office from time to time and such other place(s) within the city of Mumbai, as may be agreed to by the Company.

**RESOLVED FURTHER THAT** the said Registers and Returns be kept open for inspection at the office of R & T Agent by the persons entitled and in the manner prescribed under Section 163(2) of the Companies Act, 1956 between 11 a.m to 1.00 p.m. on all working days (except when the Register of Members and/or Debenture holders is closed under the provisions of the Companies Act, 1956 or under any other applicable provisions) in terms of the provisions of the Companies Act, 1956 and/or the Articles of Association of the Company.

**Future Ventures India Limited**  
(Formerly Subhikshith Finance and Investments Private Limited)

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to mean and include any Committee or Representatives thereof, for the time being exercising the powers conferred on the Board of Directors by this resolution), be and is hereby authorised to decide about the registers, indexes, returns and other documents to be kept and the period in respect of which the same be kept, at the office of the R & T Agent, and settle all matters arising out of and incidental to the above, and to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give effect to this resolution."

**By Order of the Board of Directors**

**Manoj Gagvani**  
**Company Secretary & Head-Legal**

Date: September 4, 2009

**Registered Office:**

Knowledge House,  
Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai-400 060.

**NOTES:**

- a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business set out in the Notice, wherever applicable, is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- c) Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- d) Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- e) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f) Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
- g) All correspondences may be addressed to:

**Mr. Manoj Gagvani- Company Secretary & Head (Legal)**

Future Ventures India Limited,  
Knowledge House, Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060.  
Email : manoj.gagvani@futureventures.in

- h) Members desirous of obtaining any information as regards Accounts are requested to write to the Company at least one week before the meeting so that the information required will be made available at the meeting.
- i) Documents referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company situated at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai- 400 060 on all working days between 11.00 a.m and 1.00 p.m. upto the date of Annual General Meeting.
- j) Members/ Proxies are requested to bring the Attendance Slip duly filled in.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

### **ITEM NOS. 5 and 6: Appointment of Mr. Pankaj Thapar and Mr. B. Anand as Directors of the Company.**

The Board of Directors of the Company have at their meeting held on 16<sup>th</sup> July, 2009 appointed Mr. Pankaj Thapar and Mr. B. Anand as Additional Directors of the Company with effect from 16<sup>th</sup> July, 2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the Articles of Association of the Company, the aforesaid Directors shall hold office only upto the date of this Annual General Meeting.

Individual Notices pursuant to Section 257 of the Companies Act, 1956, have been received from Member(s), signifying their intention to propose the appointment of Mr. Pankaj Thapar and Mr. B. Anand, as Directors of the Company.

A brief profile of respective Directors seeking appointment at this Annual General Meeting is attached to this Notice. The Board of Directors is of the view that knowledge and expertise of aforesaid Additional Directors will be of immense benefit and value to the Company and therefore recommend individual Resolutions under Item No. 5 and 6 set out in this Notice for your approval.

Mr. Pankaj Thapar and Mr. B. Anand are interested in the respective Resolutions relating to their appointment. None of the other Directors of the Company are interested in these Resolutions.

### **ITEM NO. 7: Place of keeping and inspection of, registers and returns otherwise than at the Registered Office of the Company.**

The Company has been maintaining its Register of Members, Index of Members, the Register and Index of Debenture holders and copies of all annual returns prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto and such other registers, returns, deeds and documents as may be permissible in terms of the said provisions (collectively "Registers and Returns"), at its Registered Office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

By an Agreement dated 28<sup>th</sup> May, 2009, the Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent having its office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 ("R & T Agent").

The Board of Directors of the Company have at their meeting held on 4<sup>th</sup> September, 2009, consented to keep the Registers and Returns and other documents prescribed under Section 163 of the Companies Act, 1956, at the office of R & T Agent at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 or such other place(s) where the R & T Agent may shift its office from time to time and such other place(s) within the city of Mumbai as may be agreed to by the Company.

In terms of the provisions of Section 163 of the Companies Act, 1956, approval of the Members by a Special Resolution is required, to keep the Registers and Returns at any other place within the city, where the Registered Office of the Company is situated instead of being kept at the Registered Office of the Company as at present. Accordingly, approval of Members is being sought by a Special Resolution as set out under Item No. 7 of the Notice calling this Annual General Meeting, for maintaining the Registers and Returns at the office of R & T Agent as mentioned above or any other place(s) within the city of Mumbai.

The Board of Directors recommend passing of the Special Resolution at Item No. 7 of this Notice.

None of the Directors of the Company are in any way concerned or interested in the proposed Resolution.

**By Order of the Board of Directors**

**Manoj Gagvani**  
Company Secretary & Head-Legal

Date: September 4, 2009

#### **Registered Office:**

Knowledge House,  
Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai-400 060.

**Future Ventures India Limited**

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**DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING TO BE HELD ON 30<sup>TH</sup> SEPTEMBER, 2009.**

Name of Director	<b>SAMEER SAIN</b>	<b>DHANPAL JHAVERI</b>	<b>PANKAJ THAPAR</b>	<b>B. ANAND</b>
Date of Birth	5.11.1970	20.12.1968	19.1.1962	12.3.1964
Date of Appointment	28.01.2008	28.1.2008	16.7.2009	16.7.2009
Qualifications	Graduate in Commerce from University of Bombay and a bachelor's degree in Business Administration from the University of Massachusetts at Amherst. Also holds a Master Degree in Business Administration from Cornell University.	Bachelor of Commerce from the University of Mumbai and Masters of Business Administration from Babson College, Graduate School of Business in the United States.	Graduate in Commerce from Shriram College of Commerce, New Delhi and Masters in Business Administration from the University of Delhi.	Bachelor of Commerce and Chartered Accountant.
Expertise in Specific Functional Area	Was head of Institutional Wealth Management and Special Investments Group (International). Has over 11 years of experience with Goldman Sachs in New York and London.	Over 15 years of experience in Corporate Finance and Strategy.	Over 25 years of experience in Corporate Finance, Capital Markets and Business Restructuring  Former Group CFO of Dentsu (India and Middle East).  Previously in Corporate Finance roles with ICICI, Citibank, ANZ Grindlays and Coca Cola.	Over 20 years of experience in Corporate Finance.
Directorships held in other companies (As on March 31,2009)	1.Future Capital Holdings Limited 2.Future Capital Investment Advisors Limited ( <i>formerly known as Indivision Investment Advisors Limited</i> ) 3.Kshitij Investment Advisory Company Limited 4.Future Finance Limited 5.VLCC Health Care Limited 6.Centrum Capital Limited	1.Future Capital Holdings Limited 2.Future Finance Limited 3.Centrum Capital Limited 4.Future Capital Credit Limited ( <i>formerly known as Black Diamond Finance Limited</i> )	1.New Age Investment Advisors Limited 2.Future Finance Limited 3.Aadhaar Retailing Limited 4.Future Capital Credit Limited ( <i>formerly known as Black Diamond Finance Limited</i> )	Nil

**DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING TO BE HELD ON 30<sup>TH</sup> SEPTEMBER, 2009.**

Name of Director	SAMEER SAIN	DHANPAL JHAVERI	PANKAJ THAPAR	B. ANAND
Chairman/ Member of the Committee(s) of the Board of Directors of other the companies (As on March 31,2009)	Future Capital Holdings Limited 1. Shareholders/ Investors Grievance Committee and Share Transfer Committee – Member	Future Finance Limited 1. Audit Committee – Member	Future Finance Limited 1. Audit Committee – Member	Nil
Shareholding Directors	Nil	Nil	Nil	Nil
Relationship between Directors inter-se	None	None	None	None



## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report and the Audited Accounts of Future Ventures India Limited ("FVIL" or "Company"), for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone) of the Company for 2008-09 and 2007-08, is given below:

	2008-09	2007-08
	(Rs in lacs)	
Income from Operations	(310.47)	508.24
Other Income	8.14	0.27
Total Income	(302.33)	508.51
Profit before Depreciation & Tax	(1000.16)	(402.92)
Less: Depreciation	12.75	2.14
Profit before Tax	(1012.91)	(405.05)
Less: Provision for Tax	(0.41)	26.43
Profit After Tax	(1012.50)	(431.48)
Add: Profit brought forward from previous year	(426.00)	5.48
Profit available for appropriation	(1438.50)	(426.00)
Transfer to Statutory Reserve	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance carried to Balance Sheet	(1438.50)	(426.00)

### BUSINESS OVERVIEW

Your Company believes that the scope and potential of the Indian economy in general and the domestic consumption sector is characterized by some irreversible trends. These include a young demographic profile, increasing consumer aspirations, growing middle class in urban areas and the growth in the rural economy. In line with its organizational mandate, your Company has during the past twelve months focused on leveraging these irreversible trends in order to create Stakeholder value.

The last twelve months were also characterized with an unprecedented economic turmoil that tested managerial, strategic and leadership skills across organizations. Your organization rose up to the challenge by taking significant steps to secure, preserve and enhance its economic value creation. At the same time, we believed that in times of adversity there lie unforeseen opportunities as well. Your Company went ahead with fresh investments in five companies that it believes to hold immense potential in the niche areas that they operate in.

In the past, we had leveraged on a couple of key trends in the consumption economy in India. Few can disagree that the rural economy in India provides vast untapped opportunity. Keeping this in mind, the Company had acquired a controlling stake in Aadhaar Retailing Limited, that is focused on tapping the consumption potential in rural India. During the past twelve months the Government has come up with an unprecedented number of measures that seek to invest and build the rural economy. Aadhaar Retailing Limited, may benefit from these measures by tapping into growing investments and spends in rural India.

With increased consumer aspirations, we believe that one of the key consumption categories that have seen sustained growth is fashion and apparels. Fashion is considered to be among the most organized and fastest growing categories in modern retail. It is also a segment wherein your Company has significant investments in various fashion brands, manufacturers and retailers. Continuing on this theme, your Company during the last year invested in three well known fashion brands – one engaged in designer womenswear, another is a menswear brand and third is the Indian operations of a French brand.

Environmental sustainability and increased awareness on social challenges has been a growing phenomenon in the past couple of years. Such causes and awareness is today influencing consumer choice. In order to support and build upon this trend, your Company invested in a retail chain, "Mother Earth" which is positioned as a 'one-stop solution' for environmentally sensitive products and products made by rural artisans and other self help groups.

While the Indian economy has also seen stress during these times, more than 50% share of domestic consumption in the GDP is a source of great strength. Your Board is of the view that India, and especially consumption focused businesses in

India, are less impacted by the global crisis and have the potential to sustain growth on the strength of robust domestic consumption.

## **BUSINESS VENTURES**

Your Company seeks to create, build, acquire, invest in and operate innovative and emerging businesses in India's rapidly growing "consumption-led" sectors, which we define as sectors whose growth and development will be determined primarily by the growing purchasing power of Indian consumers and their changing tastes, lifestyle and spending habits.

Further, your Company expects to derive benefits from its strategic relationship with the Future Group, which is the largest consumption focused group in India.

Your Company has access to the expertise of the Future Group's extensive nationwide distribution network and retail chains, consumer insights, domain expertise / knowledge and talented management team, which can be effectively leveraged in evaluating, monitoring, supporting and mentoring its Business Ventures.

In furtherance of its philosophy of creating successful Business Ventures in the consumption space, your Company has, till the date of this Report, made investments in twelve Business Ventures.

Some of the Business Ventures which your Company had acquired in the fiscal year ended March 2008 have shown robust performance by overcoming the challenging economic and business environment. This has been possible by leveraging the support, leadership, experience and long term vision of the Future Group.

**Aadhaar Retailing Limited ("ARL"):** ARL, which is 70% owned by your Company and 30% by the Godrej Group, is in the business of rural and semi-urban retail distribution of agricultural and consumer products for personal and household use under the brand name "Godrej Aadhaar". Over the years, ARL's stores have transitioned from retailing agricultural products to a multi-category service cum retail store focusing on apparel, food, groceries and consumer durables.

In recognition of the growing market in rural and semi-urban areas, in March 2008, your Company purchased a 70% stake in ARL for Rs. 30.10 crore.

Rural markets comprise about 45% of India's GDP. Further, rural India accounts for around 70% of India's households and around 40% of the total consumption pie. Your Company has invested in ARL as it believes that ARL can potentially leverage the fast growing rural consumption sector in the country, thus providing Future Group an opportunity to expand its footprint into rural retailing.

ARL has shown robust growth in the current fiscal - its revenue has increased from Rs 5 crore for year ended March 2008 to Rs 123 crore for year ended March 2009. Currently, ARL has 62 stores across northern and western India, supported by over 650 employees.

**Biba Apparels Private Limited ("BAPL"):** BAPL focuses on women's apparel business and has an established presence in the women's ethnic wear segment in India.

In October 2007, your Company acquired from Future Capital Holdings Limited 6.53% of the equity share capital and 7,000 Fully Convertible Debentures of Rs.10,000/- each for Rs. 13.15 crore. Your Company believes that the women's apparel market is a large and growing segment of the apparel industry, and the Future Group can provide support to permit BAPL to grow its business even faster. The Future Group has helped BAPL enter into retailing new categories of apparel, build its brand and increase its publicity efforts. The Future Group has also helped BAPL develop MIS to enable more effective reporting and improve operational efficiency.

BAPL income has increased 54% over last year, to Rs 103 crore for year ended March 2009. Standalone BAPL outlets have grown from 29 in March 2008 to 41 in March 2009.

**Indus League Clothing Limited ("Indus League"):** Indus League designs and manufactures ready-made garments through various brands, such as Indigo Nation, John Miller, Scullers, Urbana, Urban Yoga and Jealous.

Apparel and accessories account for the largest chunk of India's modern retailing business - almost 39% of the approximately Rs 58,000 crore organized retail market. In March 2008, your Company acquired approximately 14% stake in Indus League for Rs. 50.05 crore. We believe that Indus League is well positioned to grow its ready-made garment business rapidly, by leveraging Future Group's retail expertise and nationwide footprint.

Indus League income was Rs. 228 crore for year ended March 2009. As at July 31, 2009, Indus League has 77 retail outlets and 60 multi-brand outlets across the country.

**Lee Cooper (India) Private Limited ("Lee Cooper"):** Lee Cooper is a manufacturer and retailer of denims, trousers, jackets, shirts under the internationally renowned "Lee Cooper" brand. Lee Cooper has a 15 year exclusive license to manufacture and market Lee Cooper branded products in India.