DRAFT RED HERRING PROSPECTUS
Please read section 60B of the Companies Act, 1956
The Draft Red Herring Prospectus will be updated on filing with the ROC
100% Book Building Issue
Dated August 13, 2010

FUTURE VENTURES INDIA LIMITED

(The Company was originally incorporated as Subhikshith Finance & Investments Limited on July 10, 1996 under the Companies Act, 1956, in Tamil Nadu. The Company was converted into a private company on September 17, 2001 and consequently, its name was changed to Subhikshith Finance & Investments Private Limited. Subsequently, the name of the Company was changed to Future Ventures India Private Limited on August 9, 2007 and the word "private" was deleted on September 7, 2007 upon the Company ceasing to be a private limited company. For details of changes in the name and registered office of the Company, please refer to "History and Certain Corporate Matters" beginning on page 94)

Registered Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060
Contact Person: Manoj Gagvani, Company Secretary and Head - Legal
Tel: (91 22) 3084 2200; Fax : (91 22) 3084 2201; E-mail: investor.care@futureventures.in

PROMOTERS OF THE COMPANY: KISHORE BIYANI, FUTURE CAPITAL INVESTMENT PRIVATE LIMITED, FUTURE CORPORATE RESOURCES LIMITED, FUTURE KNOWLEDGE SERVICES LIMITED, PANTALOON INDUSTRIES LIMITED AND PANTALOON RETAIL (INDIA) LIMITED

PUBLIC ISSUE OF [●] EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") OF FUTURE VENTURES INDIA LIMITED ("THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. 75,000 LAKHS (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP CAPITAL OF THE COMPANY

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs, CBRLMs and at the terminals of the Syndicate Members.

This is an issue for more than 25% of the post-Issue capital in accordance with Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957 ("SCRR"). The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIB") Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors, other than Anchor Investors, may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details please see the section entitled "Issue Procedure" on page 312.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares is Rs. 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value**. The Issue Price (has been determined and justified by the BRLM and the Company as stated under the paragraph on "Basis of Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the listing. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been rated by [●] as [●] (pronounced [●]) indicating [●]. The IPO grade is assigned on a five point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details see the section titled "General Information" beginning on page 21.

GENERAL RISKS

Investments in equity and equity-related securities involve a high degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section entitled "Risk Factors" on page xi.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING AGREEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The Company has received an 'in-principle' approval from the BSE and the NSE, for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is [●].

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
ENAM	JM FINANCIAL	kotak® Investment Banking	LINK INTIME INDIA PVT LTD
ENAM SECURITIES PRIVATE LIMITED 801/ 802, Dalamal Tower Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 E-mail: fvil.ipo@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person: Anurag Byas SEBI Registration No.: INM000006856	**JM FINANCIAL CONSULTANTS PRIVATE LIMITED** 141, Maker Chambers III Nariman Point Mumbai 400 021, Tel: (91 22) 6630 3030 Fax: (91 22) 2204 7185 Email: fvil.ipo @jmfinancial.in Investor Grievance Email: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Lakshmi Lakshmanan SEBI Registration No: INM000010361	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED** First floor, Bakhtawar 229, Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 E-mail: fvil.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.kmcc.co.in Contact Person: Chandrakant Bhole SEBI Registration No.: INM000008704	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 Email: fvil.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sachin Achar SEBI Registration No. : INR000004058

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON [●]*	BID/ISSUE CLOSES ON [●]**

**The Company may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.*
*** The Company may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies the following terms have the meaning given below:

General

Term	Description
"We", "us"	Unless the context otherwise requires, refers to Future Ventures India Limited and its Subsidiaries on a consolidated basis, as described in this Draft Red Herring Prospectus
"the Company", "our Company", "the Issuer" and "FVIL"	Future Ventures India Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060
Subsidiaries	The subsidiaries of the Company being Aadhaar Retailing Limited, Indus League Clothing Limited, Indus Tree Crafts Private Limited, Future Consumer Enterprise Limited, Future Consumer Products Limited and Lee Cooper India Limited

Company Related Terms

Term	Description
Adjusted Net Worth	The total assets of the Company, less all its liabilities including loan capital; provided that traded / liquid investments will be marked to market and unlisted / illiquid investments will be valued at the lower of cost or fair market value. With reference to any specific fiscal year, the Adjusted Net Worth means the Adjusted Net Worth calculated as per the last audited balance sheet of the Company, unless specified otherwise.
Articles/ Articles of Association	The articles of association of the Company, as amended from time to time
ARL	Aadhaar Retailing Limited
Auditors	The statutory auditors of the Company, Deloitte Haskins & Sells, Chartered Accountants
Board/ Board of Directors	The Board of Directors of the Company or any duly constituted committees thereof
Business and Investment Policy	The policy formulated by the Company and approved by the Board of Directors on August 10, 2010, setting out the guidelines pursuant to which the Company shall make its investments
Business Ventures	Entities in which the Company exercises operational control or has significant influence, by virtue of being the promoter or by acquiring interest therein
Consulting and Advisory Services Agreement	The Consulting and Advisory Services Agreement dated February 20, 2008 between the Company and FCH, as amended through the amendment agreement dated August 10, 2010
FCH	Future Capital Holdings Limited
Future Group	The Future Group of companies
Group Companies	Companies, firms, ventures promoted by the Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not
Memorandum / Memorandum of Association	The Memorandum of Association of the Company, as amended
NBFC	A non-banking financial company as defined under the RBI Act and registered with the RBI under applicable laws in India
PRIL	Pantaloon Retail (India) Limited
Promoters	The promoters of the Company being Kishore Biyani, Future Capital Investment Private Limited, Future Corporate Resources Limited, Future Knowledge Services Limited, Pantaloon Industries Limited and Pantaloon Retail (India) Limited

Term	Description
Promoter Group	Unless the context otherwise requires, refers to such persons and entities which constitute the Promoter Group of the Company and a list of which is provided in the section entitled "Promoters and Promoter Group" on page 134
Registered Office	The registered office of the Company located at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060
Treasury Assets	Assets that are intended to be held for 365 days or less on the date on which investment is made

Issue Related Terms

Term	Description
Allotment/Allot /Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum bid of Rs. 1,000 Lakhs
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares at the Anchor Investor Issue Price
Anchor Investor Bid/Issue Period	The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Company in consultation with the BRLMs.
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Protection shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to Anchor Investors.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by all the Bidders other than Anchor Investors to make a Bid authorising the SCSB to block the Bid Amount in their ASBA Account maintained with the SCSB
ASBA Account	An account maintained by the ASBA Bidder with the SCSB and specified in the ASBA Bid cum Application Form for blocking an amount mentioned in the ASBA Bid cum Application Form
ASBA Bid cum Application Form	The form, whether physical or electronic, used by a Bidder (other than Anchor Investor) to make a Bid, through the ASBA process, which contains an authorisation to block the Bid Amount in an ASBA Account and will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
ASBA Bidder	Prospective investors other than Anchor Investors in the Issue who intend to Bid/apply through ASBA
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI in terms of the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 2006 and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in the section entitled "Issue Procedure – Basis of Allotment" on page 335
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to the Equity Shares of the Company at a price within the Price Band, including revisions and modifications thereto

Term	Description
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid cum Application Form	The form used by a Bidder (which, unless expressly provided, includes the ASBA Bid cum Application Form by an ASBA Bidder, as applicable) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus
Bid /Issue Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the designated branches of the SCSBs will not accept any Bids for this Issue and which shall be notified in a English national daily newspaper, a Hindi national daily newspaper and one Marathi daily newspaper, each with wide circulation
Bid/Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the designated branches of the SCSBs shall start accepting Bids for the Issue and which shall be the date notified in a English national daily, newspaper, a Hindi language national daily newspaper and a Marathi daily newspaper, each with wide circulation
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bid/ Issue Period	The period between the Bid /Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids including any revisions thereof
Book Building Process/ Method	The book building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/ Book Running Lead Managers	The Book Running Lead Manager to the Issue, in this case being Enam Securities Private Limited JM Financial Consultants Private Limited and Kotak Mahindra Capital Company Limited
Business Day	Any day on which the commercial banks in Mumbai are open for business
CAN/Confirmation of Allotment Note	Note or advice or intimation of Allotment sent to the successful Bidders indicating the Equity Shares Allotted after Basis of Allotment has been approved by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
CBRLMs/ Co-Book Running Lead Managers	The Co-Book Running Lead Managers to the Issue, in this case being Edelweiss Capital Limited and ICICI Securities Limited
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the CBRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available on the website of SEBI at http://www.sebi.gov.in
Cut-Off Price	Issue Price, finalised by the Company in consultation with the BRLMs. Only Retail Individuals Bidders, are entitled to bid at the Cut-Off Price, for a Bid Amount not exceeding Rs. 1,00,000. No other category of Bidders are entitled to bid at the Cut-Off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on the website of SEBI at http://www.sebi.gov.in /pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the ASBA Account, as the case maybe, to the Public Issue Account, or Refund Account, as appropriate, after the Prospectus is filed with the ROC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated August 13, 2010 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
Edelweiss	Edelweiss Capital Limited

Term	Description
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein. The Company proposes to make an application to the FIPB for allowing eligible non-resident investors to participate in the Issue subject to any conditions that may be prescribed by the FIPB in this regard. In the event the Company does not receive the FIPB approval, eligible non-resident investors will not be able to participate in the Issue
Enam	Enam Securities Private Limited
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, unless otherwise specified in the context thereof
Escrow Account	An account opened with an Escrow Collection Bank(s) and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	An agreement to be entered into by the Company, the Registrar to the Issue, the BRLMs, the CBRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the Bidders applying though ASBA) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form or the ASBA Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
I-Sec	ICICI Securities Limited
Issue	The public issue of [●] Equity Shares of Rs. 10 each of the Issuer for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 75,000 Lakhs
Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by the Company in consultation with the BRLMs on the Pricing Date
Issue Agreement	The agreement dated August 13, 2010 between the Company, the BRLMs and the CBRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
JM Financial	JM Financial Consultants Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	[●]
Mutual Funds	A mutual fund registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of this Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Price Band	The price band with a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●], per Equity Share including any revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised, at least two Working Days prior to the Bid/Issue Opening Date, in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language with wide circulation
Pricing Date	The date on which the Company in consultation with the BRLMs finalize the Issue Price
Prospectus	The Prospectus, to be filed with the ROC in accordance with Section 60 of the

Term	Description
	Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts and from the SCSBs from the bank accounts of the ASBA Bidders for the Issue on the Designated Date
QIB Portion	The portion of the Issue to public being not more than [●] Equity Shares required to be allocated to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 2,500 Lakhs, pension funds with a minimum corpus of Rs. 2,500 Lakhs, National Investment Fund set up by the Government of India and insurance funds set up and managed by the army, navy or air force of the Union of India. The Company proposes to make an application to the FIPB for allowing eligible non-resident investors to participate in the Issue subject to any conditions that may be prescribed by the FIPB in this regard. In the event the Company does not receive the FIPB approval, eligible non-resident investors will not be able to participate in the Issue.
Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus which will be filed with the ROC at least three days before the Bid/Issue Opening Date and will become a Prospectus after filing with the ROC after the Pricing Date
Refund Account(s)	Account(s) opened with an Escrow Collection Bank from which refunds if any, of the whole or part of the Bid Amount (excluding the Bidders applying though ASBA) if any, of the whole or part of the Bid Amount shall be made
Refund Banks	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar /Registrar to the Issue	Link Intime India Private Limited
Retail Individual Bidder	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not Bid for Equity Shares for an amount of more than Rs. 1,00,000 in any of the Bidding options in the Issue
Retail Portion	means the portion of the Issue to the public being not less than [●] Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders (which, unless expressly provided, includes the ASBA Revision Form), to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Bank/ SCSB	A banker registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on the website of SEBI at http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The BRLMs, the CBRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Company and the Syndicate in relation to the collection of Bids (excluding Bids from the Bidders applying though ASBA) in this Issue

Term	Description
Syndicate Members	[●]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs, the CBRLMs and the Syndicate Members
Underwriting Agreement	The agreement between the members of the Syndicate and the Company to be entered into on or after the Pricing Date
Working Day	All days other than Sunday or a public holiday (except during Bid/Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

Industry Related Terms

Term	Description
Doubtful asset	(i) A term loan, or (ii) A lease asset, or (iii) A hire purchase asset, or (iv) Any other asset which remain a sub-standard asset for a period exceeding 18 months
KYC	Know your customer
Loss asset	(i) An asset which has been identified as loss asset by NBFC or its internal or external auditor or by the RBI during the inspection of NBFC, to the extent that it is not written off by the NBFC; and (ii) An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non availability of security or due to any fraudulent act or omission on the part of the borrower
Owned Funds	Paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Standard asset	The asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carries more than normal risk attached to the business
Subordinated debt	A fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or the without the consent of the supervisory authority of NBFC authority. The book value of such instrument is subjected to discounting as prescribed in the Prudential Norms Directions
Sub-standard asset	means, (a) an asset, which has been classified as non-performing asset for a period not exceeding 18 months; b) an asset where the terms of the agreement regarding interest and / or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. An infrastructure loan shall, however, be classified as a sub-standard asset only in accordance with the provisions of paragraph 23 of the Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
Tier – I Capital	Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten % of the owned fund
Tier – II Capital	Includes the following (i) preference shares other than those which are compulsorily convertible into equity; (ii) revaluation reserves at discounted rate of 55 %; (iii) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth % of risk weighted assets; (iv) hybrid debt capital instruments; and (v) subordinated debt, to the extent the aggregate does not exceed Tier-I capital

Conventional/General Terms

Term	Description
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary General Meeting
EPS	Earnings Per Share.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed there under
FII	Foreign Institutional Investor, as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, registered with SEBI under applicable laws in India.
Financial Year /Fiscal Year/FY/ Fiscal	The period of twelve months ended March 31 of that particular year, unless otherwise stated
FIPB	Foreign Investment Promotion Board, Government of India
FVCI	A Foreign Venture Capital Investor registered with SEBI under SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended
GIR Number	General Index Registry Number
Government/ GOI	The Government of India
HUF	Hindu Undivided Family
IRR	Internal Rate of Return
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
MICR	Magnetic Ink Character Recognition
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Non Residents/NR	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account
NRI/Non-Resident Indian	A person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Issue
p.a./ P.A	Per annum

Term	Description
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
PIO/ Person of Indian Origin	Person of Indian Origin and shall have the same meaning as is ascribed to such term in the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000, as amended from time to time
RBI	Reserve Bank of India
Reserve Bank of India Act/ RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
ROC/ Registrar of Companies	The Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400 002
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement Process
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
VCF	A Venture Capital Fund registered under the SEBI (Venture Capital Fund) Regulations, 1996

PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the "U.S." are to the United States of America.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the audited consolidated financial statements, prepared in accordance with Indian GAAP the Companies Act and restated in accordance with the SEBI Regulations, and included in this Draft Red Herring Prospectus. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of the Company commences on April 1 and ends on March 31 of the next year, so all references to particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

All numbers in this Draft Red Herring Prospectus have been represented in Lakhs or in whole numbers, where the numbers have been too small to present in Lakhs.

There are significant differences between Indian GAAP, US GAAP and IFRS. The reconciliation of the financial statements to IFRS or US GAAP financial statements has not been provided. The Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and it is urged that you consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Currency and Units of Presentation

All references to "Rupees", or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S.$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Definitions

For definitions, please see the section entitled "Definitions and Abbreviations" on page i. In the section "Main Provisions of Articles of Association" on page 343, defined terms have the meaning given to such terms in the Articles.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the Company or the BRLMs or the CBRLMs. Similarly, internal reports, which we believe to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the Company conducts its business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to various risks or uncertainties. Important factors that could cause actual results to differ materially from the expectations of the Company include, but are not limited to, the following:

- limited experience in creating, building, acquiring, investing in and operating innovative and emerging businesses in consumption-led sectors;
- inadequate due diligence in connection with the business ventures;
- inability to source business opportunities effectively;
- adverse developments in consumption-led sectors;
- difficult conditions for our Business Ventures
- any increase in interest rates or inflation;
- a slowdown in economic growth in India
- political instability, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries ;
- natural disasters in India or in countries in the region or globally, including in India's neighbouring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India or its retails and other consumption-led sectors or industries.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the sections entitled "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xi, 68 and 247, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Neither the Company, the Directors, the Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. The Company, the BRLMs and the CBRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. These risks and uncertainties are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of Equity Shares could decline, and you may lose all or part of your investment.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including merits and risks involved.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in the section entitled "Forward-looking Statements" on page x.

To obtain a better understanding of our business, you should read this section in conjunction with other sections of the Draft Red Herring Prospectus, including the sections entitled "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 68, 247 and 155, respectively, together with all other financial information contained in this Draft Red Herring Prospectus. Unless otherwise stated, the financial data in this section is derived from our audited consolidated financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations.

Internal Risk Factors

Risks relating to our Business

1. ***Certain of the Company's Directors and Promoters are involved in criminal proceedings, which if determined adversely could have material adverse effect on our business, financial condition and results of operations.***

   Certain of our Directors and Promoters are involved in the following criminal proceedings, which are pending at different levels of adjudication before various courts, tribunal and statutory authorities:

   (a) *Litigation involving Directors of the Company*

   Kishore Biyani

   Our Promoter and Managing Director, Kishore Biyani, is involved in 13 criminal proceedings, which are pending at different levels of adjudication.

   Anil Harish

   Our Director, Anil Harish, is involved in seven criminal proceedings, which are pending at different levels of adjudication.

(b) *Litigation involving Promoters*

Kishore Biyani

For a summary of litigation proceedings against Kishore Biyani, please see the section entitled "- Litigation involving Directors of the Company - Kishore Biyani" on page 263.

PRIL

One of our Promoters, PRIL, is involved in 10 criminal proceedings, which are pending at different levels of adjudication.

An adverse outcome in these proceedings could have a material adverse effect on the ability of our Promoters and Directors to serve the Company, as well as on our business, prospects, financial condition and results of operations. Further, any adverse outcome in this proceeding may affect the reputation and standing of the Company and may impact future business. We cannot assure you that these matters will be settled in favour of the relevant Directors/ Promoters or that no further liability will arise out of these claims. For further details of outstanding litigations against our Directors and Promoters, please see the section entitled "Outstanding Litigations and Material Developments" on page 259.

2. We have limited experience in creating, building, acquiring, investing in and operating innovative and emerging businesses in consumption led sectors in India and there can be no assurance that we will achieve our business objective.

We were incorporated as Subhikshith Finance & Investments Limited on July 10, 1996 and undertook the business of non-deposit taking NBFC. Subsequent to our acquisition by Pantaloon Future Ventures Limited in July 2007, we started undertaking the business of investing in, and operating, innovative businesses in consumption-led sectors. We, therefore, have limited experience in creating, building, acquiring, investing in and operating innovative and emerging businesses in consumption led sectors in India, which may increase our vulnerability to various associated risks. The various risks involved in our business include:

(i) execution risks arising from the inability of our Business Venture(s) to execute its business plans;

(ii) operational risks associated with operation of each of the Business Ventures;

(iii) market risk resulting from adverse movement in interest rates or equity prices or industry/ sector performance;

(iv) liquidity risk;

(v) equity risk arising from our investments in Business Ventures; and

(vi) credit risk.

We cannot assure you that we would be able to address the aforestated risks adequately, or at all.

We are also subject to business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our business objective and that the value of your investment in us could decline substantially. In particular, our success and results of operations will depend on many factors, including, but not limited to, the following:

- the availability of opportunities for the acquisition and unlocking of value, through exiting our investments in the Business Ventures or otherwise;
- the success and financial performance of business ventures in which we are engaged;

- the continued development and growth of consumption-led sectors in India; and

- general economic conditions.

Moreover, we would also rely on assistance from PRIL for providing mentoring to the Business Ventures and FCH to, amongst other things, advise on mergers and acquisitions and exit strategies in relation to the Business Ventures. We cannot assure you that the assistance that we receive from PRIL and FCH would be adequate, or whether we would receive such assistance from them in a timely manner, or at all.

3. ***The due diligence process we will undertake in connection with our business ventures may not reveal all the facts that may be relevant in connection with such ventures.***

Before deciding to participate in any business venture, we will conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to such venture. When conducting due diligence, we may be required to evaluate important and complex issues, including business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of opportunity. Nevertheless, when conducting due diligence and making an assessment regarding an opportunity, we rely on the resources available to us, including information provided by the investee asset and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. Moreover, such an investigation will not necessarily result in our decision regarding the opportunity being successful. Further, some due diligence processes could encounter long delays, thus significantly increasing costs for conducting the due diligence.

4. ***If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish participation in suitable companies. Accomplishing this result on a cost-effective basis is largely a function of our networking capabilities, management of the investment process and access to financing sources on acceptable terms. In addition to monitoring the performance of our existing assets, members of our management team and finance professionals may also be called upon to provide managerial assistance to our Business Ventures. These demands on their time may distract them or slow our rate of business sourcing. To grow our business, we will need to hire, train, supervise and manage new employees and to implement information technology and other systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. Additionally, the success of the business strategies followed by us will depend upon our success in analyzing and correctly interpreting market and other data. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

5. ***We operate in a highly competitive market for business opportunities and may not be able to identify or participate in business opportunities that satisfy our financial objectives. Any delay or inability to participate in suitable business opportunities may have an adverse effect on our financial condition and results of operations.***

Competition for opportunities in consumption-led sectors is based on a variety of factors, including our performance and reputation, investor perception of management's vision, focus and alignment of interests and our quality of service. There are relatively few barriers to entry impeding new entrants in our lines of business, resulting in increased competition. We compete for business opportunities with a number of other providers of medium- to long- term capital, including public and private sector banks, mutual funds, financial institutions and other NBFCs. We also expect to face competition from other participants in consumption-led sectors in sourcing and securing business opportunities. Some of our competitors are substantially larger and have considerably greater financing resources than those available to us. Competitors also may have a lower cost of funds and many have access to funding sources that are not available to us. In addition, certain of our competitors may have greater risk appetites or different risk assessment policies than ours, which could encourage them to consider a wider variety of opportunities, establish more relationships and more quickly build their market share. Also, some of our competitors may have greater technical, marketing and other resources and greater experience in our lines of business than us, enabling them to secure opportunities at lower prices or to otherwise incentivize the sellers. They may also recruit our business professionals away from us, PRIL or FCH. As a result of this competition, there is no assurance that we will be able to identify and participate in attractive business opportunities that satisfy our financial objective, including as to price, or that we will be able fully to deploy our available capital. Delays that we may encounter in the selection, acquisition, development and sale of assets could adversely affect returns for our shareholders. If we are not able to compete effectively, our financial condition and results of operations will be adversely affected. There also can be no assurance that our Business Ventures will be able to compete effectively with other companies in the sectors in which they are involved.

6. Our business strategy is focused on consumption-led sectors in India, and adverse developments in these sectors could materially affect our financial performance.

Our strategic focus on opportunities in consumption-led sectors in India may not be successful. The performance of these sectors is sensitive to changes in consumer spending habits and preferences and our success depends on our ability to anticipate and respond to these changing consumer trends. International companies, as well as newly emerging domestic companies entering the Indian consumption-led sectors, may change consumption patterns. Foreign investment and interest rate fluctuations could also impact the growth of the consumption-led sectors. Consumption-led industries are also predominantly dependent on the rise in household income levels; the recent growth of income levels in India has been due to the general growth of the economy and may not be sustainable in the future. For further details, please see the section entitled "Risks relating to the Indian Economy - A slowdown in economic growth in India could cause our business to suffer" on page xxxi.

7. We depend on the knowledge and experience of our Managing Director and other key managerial personnel for our growth and profitability. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.

We depend on the management skills, guidance and industry contacts of our Managing Director, Kishore Biyani for managing our current operations, development of business strategy and monitoring its successful implementation, and meeting future challenges. Our finance professionals, lead by our Chief Investment Officer, possess substantial experience and expertise in sourcing business opportunities, are responsible for locating and executing our participation in assets, and have significant relationships with the institutions which are the source of many of our business opportunities. Additionally, our key management personnel perform a crucial role in conducting our day to day operations and execution of our strategy. An increase in the rate of attrition for our experienced employees, may adversely affect our growth strategy. We cannot assure you that we would be able to succeed in recruiting additional personnel or retaining current personnel, as the market for qualified finance professionals is extremely competitive. The loss of the services of such personnel, or our Managing Director and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills or to replace those personnel who leave. Further, we cannot assure you that we will be able to re-deploy and re-train our personnel to keep pace with continuing changes in our business. Additionally, if our finance professionals join competitors or form competing companies, our ability to source appropriate business opportunities may be impaired, which may result in loss of significant business opportunities or adversely affect assets we already have acquired.

We propose to provide access to our Business Ventures to the experience and expertise of PRIL in the consumption-led sectors and have entered into a Mentoring Services Agreement for the same. Additionally, we propose to seek advice from FCH, amongst other things, in relation to mergers and acquisitions and exit strategies. PRIL or FCH's inability to retain skilled personnel may impair their ability to advise us appropriately, which may have a material adverse effect on our growth strategies.

8. We have not entered into any definitive agreements to utilize the proceeds of the Issue and may not deploy the Issue proceeds immediately following the Issue.

We intend to use the net proceeds of the Issue as described in the section entitled "Objects of the Issue" on page 37.We have not yet identified opportunities nor have we entered into any definitive agreements to utilize the proceeds of the Issue. Although our primary focus will be on long-term opportunities, we may also explore opportunistic short-term opportunities where we anticipate prospects for attractive returns. Pending utilization of the net proceeds of the Issue for the purposes described in the section entitled "Objects of the Issue" on page 37, we intend to temporarily invest the funds in quality interest bearing liquid instruments including deposits with banks and other debt securities. For further details, please see the section entitled "Objects of the Issue" on page 37.

Further, the objects of the Issue have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our management and our Board of Directors and is subject to monitoring by the Monitoring Agency. In addition to monitoring the utilization of the net proceeds of the Issue by the Monitoring Agency, we intend to rely on our internal systems and controls to monitor the use of such proceeds. All the figures included in the section entitled "Objects of the Issue" on page 37 are based on our own estimates and there has been no appraisal of these figures by any independent agency.

9. We may undertake investments in, or acquisitions of, business opportunities, which may expose us to additional risks and uncertainties.

We intend, subject to market conditions and other considerations, to grow our business by investing in business opportunities in the consumption-led sectors, which may result in expanding operations in existing lines of business or expose us to new lines of business, such as vocational education and mega food park. To the extent we undertake investments in, or acquisitions of, business opportunities, we will face various risks and uncertainties including risks associated with, (i) the required investment of capital and other resources, and (ii) the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk.

Entry into any new lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business generates insufficient revenues or if we are unable to efficiently manage our expanded operations, our results of operations will be materially and adversely affected. In the case of Business Ventures, we are subject to additional risks and uncertainties in that we may be dependent upon, and subject to liabilities, losses or reputational damage relating to, systems, controls and personnel that are not under our control.

10. Our revenue and operating results will fluctuate, particularly as we cannot predict the timing of realization events.

Our revenue, net income and cash flow will be highly variable because our financial results will be affected by the timing of our exit from any of the Business Ventures, which may make it difficult for us to achieve steady earnings growth and may cause the price of our Equity Shares to fluctuate. The timing and receipt of income and gains generated by the sale of Business Ventures is event-driven and thus highly variable, which will contribute to the volatility of our revenue. We may also experience fluctuations in our results due to a number of other factors, including changes in the values of our investments in the Business Ventures, changes in the amount of distributions, dividends or interest paid by the Business Ventures, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. These fluctuations could lead to significant volatility in the price of our Equity Shares. We cannot predict when, or if, any realization of investments in the Business Ventures will occur and even if a Business Venture proves to be profitable, it may be several years before any profits can be realized in cash (or other proceeds). If we were to have a realization event in a particular quarter, it could have a significant impact on our revenues and profits for that particular quarter which might not be replicated in subsequent quarters. As a result of these variables, performance in a specific period should not be relied upon as being indicative of performance in future periods.

11. We could acquire interests in companies that we do not control. Certain decisions of or risks taken by, majority stakeholders or managements of such companies, may impair the value of our assets and materially and adversely affect our financial condition, results of operations and cash flow.

Although we intend to exercise operational control or influence in the businesses we promote or in which we acquire interests, we may however acquire interests in certain companies that we do not control or influence in a significant manner. We may also acquire interests in large-sized assets, which involve certain complexities and risks that are not encountered in small- and medium-sized assets, and we may dispose of a portion of these majority equity interests over time in a manner that results in a minority holding. Further, our shareholding in a business venture may be diluted if such business venture raises additional capital through issue of equity or equity-linked instruments. Such investments will be subject to the risk that the company may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the value of our investments could decrease and our financial condition, results of operations and cash flow could be materially and adversely affected.

12. The ranking of our interests in certain assets may be junior to that of other stakeholders.

In some cases, the companies in which we have interests may have existing indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to our interest. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of our assets. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which we have interests, holders of securities ranking senior to our interests would typically be entitled to receive payment in full before distributions could be made in respect of our interest. After repaying senior security holders, the company may not have any remaining assets to use for repaying amounts owed in respect of our interests. To the extent that any assets remain, holders of claims that rank equally with our assets would be entitled to share on an equal and rateable basis in distributions that are made out of those assets. Also, during periods of financial distress or following insolvency, our ability to influence a company's affairs and to take actions to protect our assets may be substantially less than that of any senior creditors.

13. Our and our Business Ventures' reputation is important to our business and any adverse impact on the same may have a material adverse impact on our business, results of operations and financial condition.

Our ability to source business opportunities and to invest in them depends on our reputation and the reputation of our Promoter, Kishore Biyani and the Future Group. We would rely on the industry contacts and network of Kishore Biyani and the Future Group in sourcing business opportunities. Any adverse event relating to our Company, Kishore Biyani or the Future Group, or a perception of any such adverse event, including allegations in publicly accessible media (even if such adverse event, perception or allegation ultimately proves to be baseless and does not have any financial impact) may have a negative impact on our reputation, which may adversely affect our ability to source, and invest in, suitable business opportunities.

Further, our Business Ventures undertake businesses in the consumption-led sectors, which involves direct interaction with retail customers who are sensitive to their brand image. In response to any negative perception of our or Business Ventures' brand image, the sale of products sold by our Business Ventures may be reduced, which may adversely affect our business, prospects, results of operations and financial condition.

14. The interests of our Promoter or certain directors may conflict with our interests or with the best interests of our other shareholders. Any inappropriate resolution of such conflicts may adversely affect our business, results of operations and/ or the interests of our other shareholders.

Our Managing Director and Promoter, Kishore Biyani is also the managing director of, and controls, PRIL and FCH. Kishore Biyani is also a director of other entities belonging to the Future Group. Two of our five board members also are directors of PRIL, and two of our Directors are also directors of FCH. In case of a conflict between us and PRIL or FCH or any other Future Group entity, our Promoter or Directors may favour such other companies over us. Further, our Promoter, Kishore Biyani and Directors may need to devote time to other Future Group entities and may, consequently, not be able to dedicate the time and attention necessary to fulfil their obligations as Promoters/ Directors of the Company. If any such actual, or perceived, conflicts of interests are not resolved suitably, our business, results of operations and/or the interest of our other shareholders may be adversely affected.

15. Conflicts of interest may arise in relation to our business sourcing opportunities and our failure to deal with them appropriately could damage our reputation and adversely affect our business.

As we expand the number and scope of our Business Ventures, we could increasingly confront potential conflicts of interest relating to our business sourcing activities. Various entities within the Future Group have overlapping business objectives and potential conflicts may arise with respect to decisions regarding how to allocate business opportunities among those entities. In addition, holders of our Equity Shares may perceive conflicts of interest in other circumstances, such as decisions made in relation to assets in which the Future Group may have had, currently has or will in the future have significant interests, as well as where we or business ventures in which we participate enter into transactions with other Future Group entities. It is possible that potential or perceived conflicts of interest could give rise to losses, investor dissatisfaction, litigation or regulatory enforcement actions. Other Future Group entities also will be free to compete with us for business opportunities in consumption-led sectors.

16. Under Indian GAAP, our assets will be recorded at book value, as a result of which our financial statements will not reflect the fair market value of our assets.

A significant part of our assets is expected to consist of illiquid investments, the fair value of which is not readily determinable. Subject to limited exceptions, we are required by our accounting policies under Indian GAAP to record the book value of our investments, and therefore our financial statements will not reflect the fair market value of our investments. As a consequence, our financial statements will not serve as an indicator of the growth and performance of our assets. As such valuations, and particularly valuations of unlisted assets, are inherently uncertain and may be based on estimates; our determinations of fair value may differ materially from the values that would be assessed if a ready market for these assets existed. There can be no assurance that we will be able to obtain the fair value assigned to an asset if we are able to sell the asset at approximately the time at which we determine its fair value. Our Adjusted Net Worth could be adversely affected if our determinations regarding the fair value of our assets were to be materially different from the values that we ultimately realize upon a disposal.

17. We will depend upon our risk management systems, and any shortcoming or deficiency in these systems or their implementation may have a material adverse impact upon on our business, results of operations and financial condition.

We believe that effective risk management is important for the success of our operations, and hence have developed a risk management process to monitor, evaluate and manage the principle risks we assume in conducting our operations. The principal risks to which we will be exposed are execution risk, operational risk, market risk, liquidity risk, credit risk and~~,~~ equity risk. We will be exposed to these risks directly, to the extent that these risks may directly affect the value of our interests in Business Ventures and any other assets, and indirectly, to the extent that they may affect the value of the assets underlying Business Ventures. We cannot assure that the same would assist in managing our risks effectively, or that we would be able to adapt and scale up these processes to meet the challenges posed by expansion of our business activities. Any shortcoming or deficiency in our risk management systems, or implementing the systems while taking decision, may expose us to unanticipated losses, which would have a material adverse effect on our business, results of operations and financial condition.

18. ***Difficult conditions for our Business Ventures can adversely affect us in many ways, including by reducing the value or performance of any Business Venture that we acquire.***

Our capital growth is derived principally from gains on our assets. Therefore, any difficult condition which adversely affects the performance of any Business Venture that we acquire could have a bearing on our performance. For example:

- a company having limited financial resources and being unable to meet its obligations, may reduce the likelihood of our monetizing our asset;

- a company having a shorter operating history, narrower product lines and smaller market shares than larger businesses may render it more vulnerable to competitors' actions and market conditions, as well as general economic downturns;

- a company depending on the management talents and efforts of a small group of persons, so that the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on such a company and, in turn, on us;

- a company facing litigation or regulatory actions that threaten its business or financial condition;

- mismanagement or fraud on the part of employees of or third parties involved with any entities in which we have interests, resulting in our suffering a partial or total loss of the amounts invested in that entity; and

- defaults or cross defaults in respect of a Business Venture's indebtedness, which could diminish the value of our asset.

If any of the above risks were to materialize in respect of one or more of our Business Ventures, the value of our portfolio would be adversely affected.

19. ***Difficult market conditions can adversely affect our business in many ways, including by reducing the value or performance of our investments in the Business Ventures or by reducing our ability to raise or deploy capital, each of which could negatively impact our net income and cash flow and adversely affect our financial condition.***

Our business is materially affected by conditions in the global financial markets and economic conditions throughout the world (especially India) that are outside our control, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, commodity prices, currency exchange rates and controls and national and international political circumstances. In the event of a market downturn, each of our Business Ventures could be affected in different ways, which may have an adverse impact on their business performance. Our and/ or our Business Ventures' profitability may also be adversely affected by fixed costs and the possible inability to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions.

Moreover, our financial condition may be affected by reduced opportunities to exit and realize value from our Business Ventures and by the fact that we may not be able to find suitable business opportunities for investment. Additionally, during periods of adverse economic conditions, we may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments. A general market downturn, or a specific market dislocation, may result in lower investment returns, which would adversely affect our revenues.

20. ***Acquiring interests in Business Ventures through illiquid securities involves a substantial degree of risk.***

A significant proportion of our investments in the Business Ventures will involve acquiring securities that are not publicly traded. In some cases, we may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. Our ability to dispose of our investments in the Business Ventures is also dependent on the financial markets. Under certain conditions, we may be forced either to sell our investments at lower prices than we had expected to realize or defer, potentially for a considerable period of time, sales that we had planned to make. In some cases, it may not be possible to sell our investments profitably on account of changes in industry dynamics and government regulations or the performance of a Business Venture that we propose to exit. If we are unable to liquidate our investments when we wish, we may be unable to participate in other more lucrative opportunities, which may have a material adverse effect on our business strategy and results of operations.

21. ***Due to absence of readily available market price for the securities of the Business Ventures, the valuation of such securities determined by us may be inaccurate.***

The market prices may not be readily available for the securities of the Business Ventures and the value of such investments will ordinarily be determined based on fair valuations determined by the Board of Directors of the Company or external consultants. Any valuations of the securities of a Business Venture determined by us prior to our investment in such Business Venture or prior to the sale of any of our investments may not be accurate as such securities may not be readily marketable. Due to the difficulty in valuing these securities and the absence of an active trading market for these investments, we may not be able to realize these securities' true value or may have to delay their sale in order to do so. In addition, we will rely to some extent on information provided by such Business Ventures, which may not necessarily be timely which may pose additional risk.

22. ***We will rely on FCH to provide us with various types of advisory services and on PRIL to assist our Business Ventures in their strategic growth and business development plans and if FCH or PRIL do not perform as expected, our business could be materially and adversely affected.***

We will rely on FCH in various respects, including for research services and recommendations in relation to treasury assets, supporting resource mobilisation for Business Ventures, advising on mergers, acquisitions and exit strategies. Our performance will depend on FCH's ability to provide such services successfully which is correlated to a significant extent upon the experience of FCH's personnel. There can be no guarantee that these persons will not resign, join competitors or form competing companies. The loss of key members of the FCH's team may have an adverse effect on our performance.

We are also dependent on PRIL, the flagship company of the Future Group, and if its competitive position in the Indian retail sector were to decline, we could be materially and adversely affected. We will rely on PRIL to provide us with the capability to mentor the growth of our business ventures. Having access to and utilizing PRIL's extensive knowledge, of consumer behaviour and spending patterns, is a key element of our strategy. We believe that our relationship with PRIL and the Future Group is a key differentiator for us, and any variations to this relationship could materially and adversely affect us.

23. ***We will rely on third parties to enable us to invest in suitable business opportunities and our inability to retain suitably qualified and experienced advisers may result in a material adverse effect on our financial condition and results of operations.***

In order to finalise our investment in a business opportunity, we will procure the services of various third party advisers, including third party valuers, property agents, surveyors, environmental consultants, lawyers, accountants and other advisers. Our inability to retain suitably qualified and experienced advisers may result in us participating in inappropriate or risky business opportunities, which could have a material adverse effect on our financial condition and results of operations.

24. ***Our Board of Directors may change our financial objectives, operating policies and strategies without prior notice or shareholder approval.***

Our Board of Directors has the authority to modify our financial objectives and certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder approval. However, absent shareholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, an NBFC. We cannot predict the effect that any changes to our current financial objectives, operating policies or strategies would have on our business, operating results and the price of our Equity Shares.

25. ***We may be subject to liability and adverse tax consequences upon the disposal of assets.***

In connection with the disposition of assets, we may be required to give representations, warranties and indemnities in respect of those assets and to pay damages to the extent that any such representations, warranties or indemnities are or become inaccurate. We may become involved in claims, disputes or litigation concerning such representations, warranties and indemnities and may be required to make payments to third parties as a result of such claims, disputes or litigation. We may also be subject to tax consequences upon the disposition of assets, including potential double taxation relating to assets through special purpose vehicles, taxation on capital gains and other forms of tax that could be applicable to such dispositions.

26. ***We are subject to third-party litigation risk that could result in significant liabilities and reputational harm which could materially adversely affect our business and results of operations.***

In general, our assets may expose us to the risk of litigation if our interest in or management of any asset is alleged to involve or constitute negligence, misconduct or default. Further, we may be subject to litigation arising from investor dissatisfaction with the performance of our Business Ventures or from allegations that we improperly exercised control or influence over our assets. In addition, we are exposed to the risks of litigation or investigation relating to transactions which presented conflicts of interest that were allegedly not properly addressed. In such actions, we may be obligated to bear legal, settlement and other costs (which may be in excess of available insurance coverage or indemnity to which we may be entitled). If we are required to incur all or a portion of such costs arising out of litigation or other proceedings, our business results of operations, financial condition and liquidity could be materially and adversely affected.

27. ***Currently we do not have any plans to pay dividends and shareholders may not receive distributions from any sale of our Business Ventures.***

Our objective is to create, build, acquire, invest in and operate Business Ventures in India. The payment of dividends will not form a central part of our investment objective, but we may choose to distribute dividends as and when we consider appropriate. For further details regarding the dividend policy, please see the section entitled "Dividend Policy" on page 154. We primarily intend to re-deploy any profits and cash flows from our Business Ventures in new business opportunities and currently do not intend to pay dividends on the Equity Shares in the foreseeable future, even though we may have distributable reserves. Since we do not anticipate paying dividends on our Equity Shares, the investment opportunity presented to prospective investors in the Issue will depend on the increase, if any, in the market value of our Equity Shares, which cannot be assured. Furthermore, dividends paid by our Business Ventures in the past should not be considered as indicative of future returns or income for us.

28. ***We will be exposed to risks associated with changes in interest rates.***

The level and volatility of general interest rate fluctuations may have a substantial adverse impact on the value of our Business Ventures, the value of our Equity Shares and our rate of return on invested capital. A reduction in the interest spreads on any debt investments could also have an adverse impact on our income. An increase in interest rates could increase our interest expense, thereby decreasing our income. In addition, if interest rates were to rise, the attractiveness of our Equity Shares relative to other securities or investment products could decrease.

29. ***The Managing Director of our Company, Mr. Kishore Biyani, is also involved in the management of other Future Group companies and is chairman of FCH. His involvement in PRIL, FCH or other Future Group companies could reduce his participation in the management of our Company, which may have a material adverse effect on our business.***

The Managing Director of our Company, Kishore Biyani, is also the managing director of our advisor, PRIL, chairman of our consultant, FCH and is involved in the management of other Future Group Companies. Therefore, there may be situations in which Kishore Biyani is unable to allocate sufficient time to our Company or effectively participate in the management of our Company, which could have a material adverse effect on our business.

30. ***We have entered and will continue to enter into related party transactions.***

We have entered and may continue to enter into related party transactions. For Fiscal 2010, we entered into related party transactions on a consolidated basis as detailed in the following table:

Sr. No.	Particulars	Amount (In Rs. Lakhs)
1.	Receivable Balance Outstanding	0.00
2.	Payables Balance Outstanding	0.00
3.	Interest Income	61.99
4.	Loan/Advances Given during the year	3,100.00
5.	Amount Repaid during the year	2,100.00
6.	Issue of Equity shares	12,200.00
7.	Expenses & Reimbursement	5.98
8.	Sale of Investment	11,405.70
9.	Purchase of Asset	0.65
10.	Investment in Equity/Pref. shares	8,684.75

For further details of our historical related party transactions, please see the section entitled "Financial Statements" on page 155. For details of related party transactions following the date of our last audited balance sheet, please see the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Related Party Transactions" beginning on page 256. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

31. ***Our Business Ventures primarily operate in the consumption-led industry and their ability to maintain their market share will depend on their ability to identify and introduce popular and contemporary products.***

The success of our Business Ventures depends upon their ability to forecast, anticipate and respond to changing consumer preferences and trends in a timely manner. Any failure by them to identify and respond to such emerging trends in consumer preferences could have a material adverse effect on their business and profitability and consequently our investment in such Business Ventures. Further, any inability on our part to understand prevailing global trends or to forecast changes in a timely manner may affect the growth prospects of our Business Ventures.

32. ***The business of majority of our Business Ventures depends on their ability to obtain and retain quality retail spaces.***

Majority of our Business Ventures do not own the retail stores operated by them. They take property through leases which may not be renewed on commercially acceptable terms, or at all. Increase in rents, termination of their leases or disputes that may arise with store owners may result in closure of their stores, thus affecting their business and profitability and consequently our investment in such Business Ventures.

Further, any adverse impact on the title or ownership rights of landlords from whose premises our Business Ventures operate their stores, may impede business, operations and profitability of the Business Ventures.

33. The success of our Business Ventures is dependent on their procurement systems, supply chain management and efficient logistics, and any disruption in the same may affect their business adversely.

Inefficient supply chain management and information technology systems could adversely affect availability of merchandise at the stores of the Business Ventures, may result in increase of operating costs and the requirement for working capital. Ensuring shelf availability for the products warrants quick turnaround time and high level of coordination with the suppliers, the warehouses and the stores of our Business Ventures. Further, our Business Ventures rely on various third party suppliers to source the raw materials for their products. Any Business Venture's inability to maintain its relationship with the existing suppliers or attract additional high-quality and cost-efficient suppliers, may have an adverse impact on its operations and financial condition. Additionally, each Business Venture depends on various third parties for the transportation of goods to their respective retail outlets and any disruption to the transportation network may impair the operations of such Business Venture. We cannot assure you that our current suppliers or transportation networks would continue to perform efficiently.

34. The trademarks of our Business Ventures are very significant for their business and any inability to protect them adequately would result in an erosion of their business value and adversely impact their business operations.

Generating and maintaining brand recognition is a significant element of the business strategy of our Business Ventures. Whilst they own some of the trademarks such as AND, Global Desi, Anita Dongre, BIBA, Indigo Nation, Jealous, Urban Yoga, Urbana, Smith & Jones, Ching's Secret, they are licensed users for certain other trademarks used by them. As their business depends on brand recognition, adequate protection of the trademarks is of critical significance for their business. In the event they are unable to adequately protect their trademarks from any third party claims or infringement, their business operations may be adversely impacted. Further, they may also be required to litigate in order to protect the intellectual property of their trademark and brands or to prevent unauthorized use of the same. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. In addition, they may not be able to detect any unauthorized use or take appropriate and timely steps to protect their intellectual property rights.

35. Our Business Ventures face the risk of potential liabilities from lawsuits or claims by their consumers.

Our Business Ventures may face the risk of legal proceedings and claims being brought against them by their customers for any defective product sold or any deficiency in services to them. Our Business Ventures could face liabilities should their customers face any loss or damage due to any unforeseen incident such as fire or accidents in their stores, which could cause financial or other damage to their customers. Any commencement of lawsuits as envisaged above against our Business Ventures could result in financial loss or reduction in sales of such Business Venture, which may have a material adverse effect on our business, financial condition and results of operations.

36. Losses on account of shrinkage can negatively impact the profitability of our Business Ventures.

Shrinkage in the retail industry business is defined as loss in inventory on account of a combination of employee theft, shoplifting, vendor fraud, credit card fraud and administrative errors. Any increase in shrinkage levels at the existing or future retail outlets of any Business Ventures may have a material adverse effect on its results of operations.

37. Our Business Ventures face competition from existing and potential domestic and international competitors that may adversely affect their competitive position and their profitability.

Significant additional competition in the consumption-led industry may result in reduced prices for the products sold by a Business Venture, thereby negatively affecting the revenues and profitability of such

Business Venture. Further, the increased presence of foreign brands in recent years in various segments of the consumption-led sectors, such as fashion, home products and FMCG has resulted increased competition. We cannot assure you that our Business Ventures will be able to compete with large multinational players.

38. Quality concerns and any negative publicity could adversely impact the business of a Business Venture.

The business of our Business Ventures is dependent on the trust their customers have in the quality of their merchandise. Any goods sold by a Business Venture to its customers which do not comply with the quality specifications or standards prevalent in the business or market segment in which such Business Venture operates, may result in customer dissatisfaction and adverse publicity. Any negative publicity regarding a Business Venture, its products, mishaps at its outlets or on account of any other unforeseen events could adversely affect such Business Venture's reputation which may have an adverse impact on its sales and profitability.

39. Our Business Ventures operating in the food processing business segment are subject to food industry risks that could adversely affect their operating results.

In our food processing business segment, we are subject to food industry risks which include, but are not limited to, food spoilage or food contamination, shifting consumer preferences, food processing regulations, and consumer product liability claims. The liability which could result from these risks may not always be covered or could exceed liability insurance related to product liability and food safety matters maintained by our Business Venture. Our Business Ventures operating in the food processing business segment could be adversely affected if consumers lose confidence in the safety and quality of food products sold by them and are discouraged from buying such products. The occurrence of any of the matters described above could have a material adverse effect on such Business Venture, which may adversely affect our revenues and operating results.

40. There are outstanding legal proceedings against the Company, Subsidiaries, Promoters, Directors and Group Companies, which if determined adversely could have material adverse effect on our business, financial condition and results of operations.

There are outstanding legal proceedings against the Company, Subsidiaries, Promoters, Directors and Group Companies. These proceedings are pending at different levels of adjudication before various courts, enquiry officers, and arbitrators. An adverse outcome in these proceedings could have a material adverse effect on our business, prospects, financial condition and results of operations. Brief details of such outstanding litigation as of the date of the Draft Red Herring Prospectus are as follows:

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in Rs. Lakhs)
Against the Company			
1.	Nil	-	-
Against the Subsidiaries			
1.	Civil proceedings	7	11.52
2.	Criminal proceedings	7	-
3.	Consumer proceedings	1	0.50
4.	Tax proceedings	3	51.29
5.	Labour proceedings	1	21.52
6.	Arbitration proceedings	1	36.41
Against the Promoters			
1.	Civil proceedings	19	1,995.93
2.	Tax proceedings	2	149.9
3.	Labour proceedings	16	23.26
4.	Criminal proceedings	23	-
5.	Consumer proceedings	75	27.31

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in Rs. Lakhs)
6.	Arbitration proceedings	3	12.99
7.	Stamp duty related proceedings	7	65.00
Against the Directors			
1.	Civil proceedings	2	-
2.	Criminal proceedings	20	-
3.	Consumer proceedings	1	-
Against the Group Companies			
1.	Civil proceedings	50	497.62
2.	Tax proceedings	0	-
3.	Labour proceedings	2	-
4.	Criminal Cases	9	9.23
5.	Consumer Cases	42	137.65

For further details of outstanding litigation against our Company, our Subsidiaries, joint ventures, Directors and Promoter, please see the section entitled "Outstanding Litigations and Material Developments" on page 259.

41. Certain of our Group Companies have incurred losses during the last three financial years and the equity shares of one of our listed Group Companies are infrequently traded.

Certain of our Group Companies have incurred losses during last three fiscal years (as per their respective audited standalone financial statements), as set forth below:

(i). Group Companies of which audited financial statements are available for Fiscal 2010, 2009 and 2008

Sr. No.	Name of the Group Company	Profit/ (Loss) after tax (In Rs. Lakhs)		
		Fiscal 2008	Fiscal 2009	Fiscal 2010
1.	Axon Development Solutions Limited	N.A.	(4.39)	(0.76)
2.	Future Capital Financial Services Limited	(973. 35)	(4,659.77)	2,490. 26
3.	Future Hospitality Management Limited	(1.09)	(1.55)	(0.74)
4.	Future Mall Management Company Limited	N.A	(0.59)	(0.20)
5.	Future Merchandising Limited	N.A	(0.87)	(0.63)
6.	Galaxy Entertainment Corporation limited	(364.53)	(1,940.51)	(1,999.92)
7.	Kshitij Property Solutions Private Limited	(243.75)	(26.55)	(17.44)
8.	Myra Mall Management Company Limited	(77.49)	(36.94)	538.78

(ii). Group Companies of which audited financial statements are available for Fiscal 2009, 2008 and 2007

Sr. No.	Name of the Group Company	Profit/ (Loss) after tax (In Rs. Lakhs, except as specified otherwise)		
		Fiscal 2007	Fiscal 2008	Fiscal 2009
1.	Anchor Investment & Trading Private Limited(1)	N.A(2)	**USD** (11,390)(2)	**USD** (9,197)
2.	CIG Infrastructure Private Limited	(0.15)	(0.09)	(0.14)
3.	FLSL Distribution Services Limited	N.A	N.A	(0.39)
4.	Future Agrovet Limited	34.24	(313.51)	(305.98)
5.	Future Axiom Telecom Limited	(9.92)	(525.88)	(3,292.46)

Sr. No.	Name of the Group Company	Profit/ (Loss) after tax (In Rs. Lakhs, except as specified otherwise)		
		Fiscal 2007	Fiscal 2008	Fiscal 2009
6.	FutureBazaar India Limited	(1,712.67)[(3)]	474.05[(4)]	(13.53)
7.	Future E-Commerce Infrastructure Limited	N.A	(959.87)	(1,868.12)
8.	Future Human Development Limited	(1.29)[(3)]	(0.27)[(4)]	(0.39)
9.	Future Ideas Realtors India Limited	N.A	(0.12)	(0.20)
10.	Future Learning and Development Limited	N.A	N.A	(15.52)
11.	Future Media (India) Limited	(411.00)[(3)]	(655.19)[(4)]	(767.38)
12.	Future Mobile and Accessories Limited	N.A	(124.01)	(312.93)
13.	Future Outdoor Media Solutions Limited	N.A	N.A	(0.31) [(5)]
14.	Future Supply Chain Solutions Limited	(195.16)[(3)]	(244.53)[(4)]	24.24
15.	Future Value Retail Limited	N.A	(18.86)	(19.28)
16.	Home Solutions Retail (India) Limited[(6)]	(4,089.17)	(6,059.11)	(573.46)
17.	Sain Advisory Services Private Limited	(1.54)	(39.37)	(76.33)
18.	Shendra Advisory Services Private Limited	(0.18)	(38.18)	(22.00)
19.	Weavette Texstyles Limited	(24.67)	(38.85)	(164.53)
20.	Winner Sports Limited	N.A[(7)]	(0.15)[(7)]	(40.59)
21.	Whole Wealth Limited	**HKD** (13,88,554)	**HKD** (27,45,537)	**HKD** 23,82,451

[(1)] The fiscal year of the company ends on December 31 of that particular year.
[(2)] The company was incorporated on August 16, 2007 and the first financial year for the company was from August 16, 2007 to December 31, 2008.
[(3)] The amount provided is for the year ended June 30, 2007.
[(4)] The amount provided is for the nine-month period ended March 31, 2008.
[(5)] Since the company was incorporated on April 10, 2008, the amount provided is for the period from April 10, 2008 to March 31, 2009.
[(6)] The fiscal year of the company ends on June 30 of that particular year.
[(7)] The company was incorporated on June 1, 2007 and the first financial year for the company was from June 1, 2007 to March 31, 2008.

Further, equity shares of one of listed Group Companies, Galaxy Entertainment Corporation Limited are infrequently traded. For a detailed description of our Group Companies, please see the section entitled “Our Group Companies” on page 140.

42. ***During the preceding 12 months, we have issued Equity Shares to various persons including certain Promoters at a price which may be lower than the Issue Price.***

In the last twelve months, our Company has issued Equity Shares to our Promoters at a price that may be lower than the Issue Price, as set forth below:

Date of Issue	Name of the Promoter	No. of Equity Shares	Issue price (Rs.)
January 30, 2010	Future Corporate Resources Limited	1,94,00,000	10
	Pantaloon Industries Limited	12,20,00,000	10
	Manz Retail Private Limited	2,10,00,000	10
March 4, 2010	Future Corporate Resources Limited	4,50,00,000	10

Date of Issue	Name of the Promoter	No. of Equity Shares	Issue price (Rs.)
May 29, 2010	Future Capital Investment Private Limited	10,00,00,000	10
August 6, 2010	PRIL	15,00,00,000	10

For further details regarding such allotments, please see the section entitled "Capital Structure – Notes to Capital Structure – Share Capital History" on page 30.

43. If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected.

We may from time to time, require certain approvals, licenses, registrations and permissions for undertaking our business for which we may be required to make applications in the future. If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business could be adversely affected. Presently, the applications regarding registration of our trademark we are not awaiting any specific regulatory approval for the conduct of our business. For further details please see the section entitled "Government Approvals" on page 294.

44. If we incur debt, we would be subject to certain important consequences which may increase the risk of investing in our Company.

As of the date of this Draft Red Herring Prospectus, we have no outstanding indebtedness. However, subject to applicable laws and guidelines, we may in the future borrow from and/ or issue debt securities to, banks, insurance companies and other lenders in compliance with prudential limits approved by our Board. Lenders will have claims on our assets that are superior to the claims of our shareholders and we may grant a security interest in our assets in connection with our borrowings. In the case of a liquidation event, those lenders would receive proceeds before our shareholders. In addition, borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. Our ability to service any debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures.

45. Delay in utilisation of the Net Proceeds towards the objects of the Issue beyond three years would require us to distribute the unutilised portion of the Net Proceeds to our shareholders, which may materially adversely affect our business strategy, operations and financial condition. The methodology of such distribution is uncertain at this stage and our inability to do so may subject us to regulatory action.

We intend to invest the Net Proceeds as soon as practicable, in accordance with our investment objectives and details provided in the section entitled "Objects of the Issue" on page 37. Utilisation of Net Proceeds is dependent upon various factors beyond our control, such as prevalent market conditions, competition for opportunities in consumption-led sectors, developments in consumption-led sectors and the general economic condition throughout the world, especially India. Prior to the time that we have fully invested the Net Proceeds, they may temporarily be invested in quality interest bearing liquid instruments including deposits with banks and other debt securities. However, in the event that we are unable to utilise the Net Proceeds towards the objects of the Issue within three years from the date of Allotment of Equity Shares in the Issue, we shall distribute the unutilised portion of the Net Proceeds to the shareholders of the Company as on the record date specified for the same, subject to compliance with the Companies Act and other applicable provisions of law. Such distribution of unutilised portion of the Net Proceeds to our shareholders may have a material adverse effect on our business strategy, operations and financial condition. The methodology of distribution of the unutilised portion to the shareholders has not been determined at this stage and our inability to do so may subject us to regulatory action. For further details, please see the section entitled "Objects of the Issue - Utilisation of Issue Proceeds" on page 38.

46. Eligible non-resident investors will be able to participate in this Issue only if relevant approvals are received from the FIPB

We propose to make an application to FIPB, for allowing eligible non-resident investors, i.e. FIIs, NRIs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions and other eligible non-resident investors to participate in this Issue subject to any conditions that may be prescribed by the FIPB in this regard. In the event we are unable to obtain this approval from FIPB, eligible non-resident investors will not be able to participate in this Issue.

47. We are subject to supervision and regulation by the RBI as an NBFC, material changes in the regulations that govern us could cause our business to suffer and the price of our Equity Shares to decline.

We are registered with the RBI as a non-public deposit accepting/holding, non-banking financial company and hence, our business activities will be regulated by RBI regulations applicable to systemically important non-deposit taking, non-banking financial companies. We are also subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy and exposure norms. As our business expands, we will become increasingly subject to these norms. The NBFC regulations could change in the future and may require us to restructure our activities, incur additional costs or otherwise could adversely affect our business, our future financial performance and the price of our Equity Shares.

In addition, we are subject generally to changes in regulations and government policies and accounting principles. Further, foreign investment in our company is subject to certain conditions, including the type of activities that we can undertake. As per the present regulations governing foreign investment in NBFCs, we are allowed to undertake only 18 specified activities. If we wish to undertake any activities outside this specified list of activities we are required to obtain prior approval of the FIPB for any foreign investment in our Company. For further information, please see the section entitled "Regulations and Policies" on page 86.

48. The Company has experienced negative cash flows for Fiscal 2006. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

The Company had a negative cash flow aggregating Rs. 52,000 for Fiscal 2006. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

49. Our contingent liabilities not provided for could adversely affect our financial condition.

As of March 31, 2010, the details of our contingent liabilities not provided for are detailed in the table set forth below:

(In Rs. Lakhs)

Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Outstanding guarantees given by the bank	5.90	9.00	0.00
Proportionate Share of outstanding guarantees given by the bank on behalf of Joint Ventures	0.00	1.90	10.54
Proportionate Share of Other Contingent liabilities in subsidiaries and joint venture	733.86	5.71	0.00

If these contingent liabilities fully materialize, our financial condition could be adversely affected.

50. We have not made any provisions for the decrease in the value of our investments.

We have not made any provision for decrease in the value of investments, which could result into mismatch between realisable value and book value of our investments. Further, if provision is made in future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an adverse impact on our results of operations and financial conditions.

51. In the past, PRIL made promises during the initial public offering of its equity shares but was unable to perform as per those promises.

PRIL had undertaken an initial public offering in 1992 where they had made following promises in relation to objects and financial performance, which it was unable to perform:

	Promise	Performance
Opening up of retail stores	To open 7 retail stores	• 2 retail stores were opened within the time frame promised in the prospectus. • Five additional retail stores were opened with a delay of 9 months.
Estimated turnover of 1992-1993	Rs. 1,160.00 Lakhs	Rs. 480.80 Lakhs
Future prospects	Expected to generate adequate profits and declare dividends from 1992-1993 onwards	No dividend declared in 1992-1993

52. We are unable to provide the details of promise versus performance of one of our listed Group Companies, being Galaxy Entertainment Corporation Limited.

In the past, one of our Group Companies namely, Galaxy Entertainment Corporation Limited ("Galaxy") had undertaken an initial public offer of their equity shares. Galaxy Entertainment Corporation Limited was acquired by our Promoters from the erstwhile promoters of Galaxy subsequent to its initial public offering of equity shares. We do not have access to the offer documents and other records of Galaxy. We are, therefore, unable to provide details on the promises made and the performance achieved by Galaxy.

53. The Company's management changed in 2007 and the present Promoters of the Company will not be liable for the acts of its erstwhile promoters.

The Company was originally incorporated as Subhikshith Finance & Investments Limited on July 10, 1996 by R. Sankar and V. Thirumalai. The management and control of the Company was taken over by Pantaloon Future Ventures Limited through a share purchase agreement dated July 3, 2007. Currently, our Promoters are Kishore Biyani, Future Capital Investment Private Limited, Future Corporate Resources Limited, Future Knowledge Services Limited, Pantaloon Industries Limited and PRIL. Whilst the present Promoters will not be liable for the acts of the erstwhile promoters of the Company, we cannot assure you that any acts of the former promoters will not have any adverse effect on the Company.

54. We will be required to prepare our financial statements in accordance with IFRS effective from April 1, 2013. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2013 could have an adverse effect on the price of the Equity Shares.

Based on current timeline announced for IFRS convergence for Indian companies, the Company estimates that the earliest that it would need to prepare annual and interim financial statements under IFRS would be the financial period commencing from April 1, 2013. There is currently a significant lack of clarity on the adoption of and convergence with IFRS and we currently do not have a set of established practices on which to draw on in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2013 could have an adverse effect on the price of the Equity Shares.

55. The Promoters, Group Companies and associates of the Company have unsecured debt that is repayable on demand.

The Promoters, Group Companies and associates of the Company have availed of certain unsecured loans that are repayable on demand. In the event that the lenders of such loans call in these loans, they would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all.

56. We are a member of the Future group and utilise the trademark "Future" and "Future Group" as a part of our corporate identity.

As of the date of this Draft Red Herring Prospectus, the applications regarding registration of our trademark under classes 16, 35, 36, 39 and 42 are pending. We have entered into a Master License Agreement dated August 10, 2010 (the "Master License Agreement") with Future Ideas Company Limited ("Future Ideas"), for the use of various Future Group trademarks (the "Future Group Trademarks") for our business within India. In accordance with the Master License Agreement, we are required to pay a royalty of Rs. 100.00 lakhs p.a. for Fiscal 2011 which increases incrementally to Rs. 244.00 lakhs for Fiscal 2015. The Master License Agreement is valid from August 10, 2010 until terminated in accordance with the terms thereof. For further details of the Master License Agreement, please see the section entitled "History and Certain Corporate Matters - Material Agreements - Master License Agreement between the Company and Future Ideas Company Limited" on page 107. We cannot assure you that the Master License Agreement would not be terminated or renewed on commercially acceptable terms, or at all, after Fiscal 2015. We operate in a competitive environment, where generating brand recognition will be a significant part of our business and growth strategy. In the event that the Master License Agreement is terminated, we may need to change our trademarks. Any such change could require us to incur additional costs and may adversely impact our business, financial condition and results of operation. Infringement of the Future Group Trademarks, for which we may not have any immediate recourse, may adversely affect our ability to conduct our business, as well as affect our reputation, and consequently, our results of operations.

57. The Company does not own its registered office and corporate office.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060, which is not owned by the Company. The Company has been permitted by PRIL to use the said premises through letter dated November 26, 2008. The corporate office of the Company is located at Kalpataru Synergy, West Wing, 5th Floor, Vakola, Santa Cruz (East), Mumbai 400 055, which is owned by Kshitij Investment Advisory Company Limited. Kshitij Investment Advisory Company Limited has permitted the Company, through letter dated April 1, 2010 to use the said premises for the period from April 1, 2010 to October 31, 2010 at a quarterly fee of Rs. 4.60 Lakhs. The Company cannot assure you that it will able to renew the arrangement for using the premises on which its Corporate and Registered Offices are located on commercially acceptable term, or at all. In the event that the Company is required to vacate these premises, it would be required to make arrangements for new offices and other infrastructure, which may have an adverse affect on the costs of operation of the Company.

External Risk Factors

Risks relating to the Issue and the Equity Shares

58. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian retail and consumption-led sectors, changing perceptions in the market about participation in these sectors, adverse media reports on us or the Indian consumption-led sectors, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal regulations.

There has been no public market for the Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the Issue Price. The share prices of companies participating in business assets can fluctuate significantly, which subjects an investment in our Equity Shares to substantial volatility. For example, shares of such companies often trade at discounts to their net asset values and our Equity Shares may also trade at a discount. We cannot predict whether the Equity Shares will trade above, at or below our Adjusted Net Worth. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue.

59. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times.

The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. A closure of, or trading stoppage on, the BSE or the NSE also could adversely affect the trading price of the Equity Shares.

60. The Equity Shares issued pursuant to the Issue may not be listed on the BSE and the NSE in a timely manner, or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

61. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain requirements must be fulfilled before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the BSE and NSE.

Thereafter, upon receipt of final approval from the BSE and the NSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

62. Additional issuances of equity may dilute your holdings.

Any future issuance of our Equity Shares or securities linked to our Equity Shares may dilute your shareholding in our Company. Any issuance of Equity Shares may dilute the holdings of our existing shareholders. After the completion of the Issue, our Promoters will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Sales of a large number of our Equity Shares by our Promoters could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

63. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

The price of our Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

64. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

65. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of the Company. Consequently, even if a potential takeover of the Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its shareholders, such a takeover may not be attempted or consummated because of Indian takeover regulations.

Risks relating to the Indian Economy

66. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and substantially all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- natural disasters in India or in countries in the region or globally, including in India’s neighbouring countries;
- prevailing regional or global economic conditions, including in India’s principal export markets; and
- other significant regulatory or economic developments in or affecting India or its retail and other consumption-led sectors or industries.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

67. Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting banking, finance and NBFC companies, foreign investment and other matters affecting investment in our securities could change as well. Additionally, as economic liberalization policies have been a major force in encouraging private investment in retail and other consumption-led sectors, any change in these policies could have a significant impact on infrastructure development, business and economic conditions in India.

68. The financial markets in India are not as developed as in other countries.

The financial markets in India are still at a nascent stage of development in respect of complex financial instruments. Currently, structured instruments and products are not widely used in the Indian financial markets, and as a result we may not have access to various financial instruments and strategies that could potentially reduce our risk.

69. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the U.S. or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reaction to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to loss in investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

70. Difficulties faced by banks, financial institutions or NBFCs or the Indian financial sector generally could cause the price of our Equity Shares to decline.

We are exposed to the risks of the Indian financial sector which in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years, particularly in managing risks associated with their portfolios and matching the duration of their assets and liabilities, and some co-operative banks have also faced serious financial and liquidity crises in the past. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect the price of our Equity Shares.

71. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

72. Natural disasters could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced significant natural disasters such as earthquakes, a tsunami, floods, drought, fires and spread of pandemic diseases such as the H5N1 avian flu and the H1N1 swine flu, in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and infrastructure. Future natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Prominent Notes:

1. Our Company was originally incorporated as Subhikshith Finance & Investments Limited on July 10, 1996 under the Companies Act, 1956. We became a private limited company on September 17, 2001 and the name of our Company was subsequently changed to Subhikshith Finance & Investments Private Limited. The name of our Company was again changed to Future Ventures India Private Limited on August 9, 2007 and the word "private" was deleted on September 7, 2007 upon the Company ceasing to be a private limited company. For details of changes in the name and registered office of our Company, please refer to "History and Certain Corporate Matters" beginning on page 95 of this Draft Red Herring Prospectus.

2. Public issue of [●] Equity Shares of Rs. 10 each of the Company for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 75,000 Lakhs (the "Issue").

3. The net worth of our Company was Rs. 57,870.65 Lakhs as of March 31, 2010 as per our audited standalone restated financial statements. The net worth of our Company was Rs. 50,453.48 Lakhs as of March 31, 2010 as per our audited consolidated restated financial statements. For further details please see the section entitled "Financial Statements" on page 155.

4. The book value per Equity Share of Rs. 10 each was Rs. 10.04 as of March 31, 2010 as per our audited standalone restated financial statements. The book value per Equity Share of Rs. 10 each was Rs. 8.75 as of March 31, 2010 as per our audited consolidated restated financial statements. For further details please see the section entitled "Financial Statements" on page 155.

5. The average cost of acquisition of the equity shares by our Promoters is as follows:

Sr. No.	Name of the Promoter	Average Cost of Acquisition (Rs.)
1.	Future Capital Investment Private Limited	10
2.	Future Corporate Resources Limited	10
3.	Future Knowledge Services Limited	10
4.	Pantaloon Industries Limited	10
5.	Pantaloon Retail (India) Limited	10

The average cost of acquisition has been calculated by dividing the aggregate amount paid by the Promoters to acquire the Equity Shares held by them with the aggregate number of Equity Shares held by the Promoters.

6. For details of the related party transactions entered into by the Company, please see the section entitled "Related Party Transactions" on page 153.

7. Investors may contact any of the BRLMs or the CBRLMs for any complaints, information or clarifications pertaining to the Issue.

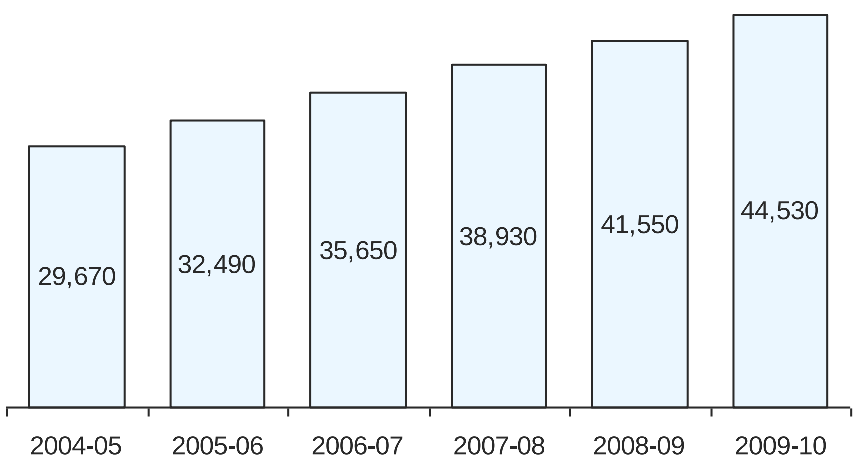
SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Growth in Indian Economy

India has witnessed a sustained average growth of 6 % in GDP since 1991. Despite the global economic recession in 2008, in 2009-10 the Indian GDP grew by 7.2%. The Indian economy has shown an expected resilience, with no failed financial institutions, no industry wide bankruptcies, no massive layoffs, no significant increase in consumer loan defaults, India's public sector has shown amazing resilience to withstand the turbulence in the environment. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009)*

India – Gross domestic product (INR '000 millions)



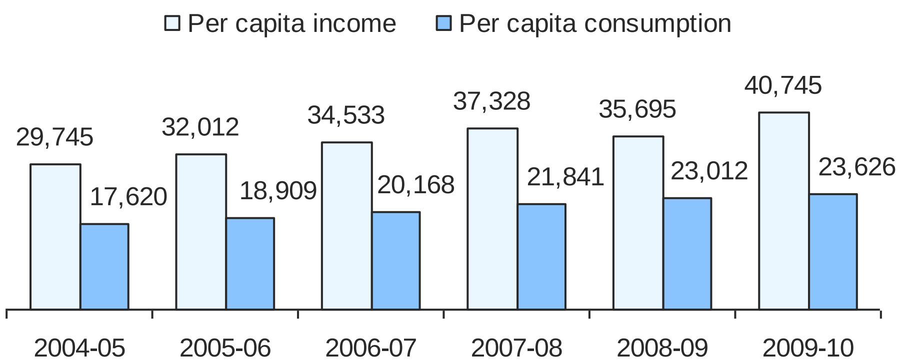
GDP at factor cost, 2004-2005 prices
(Source: Indian Economic Survey 2009)

The Indian economy was the 12th largest in the world in 2008 and is poised to become the 4th largest in by 2030. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009).*

The Indian consumption market

With increase in per capita income the per capita consumption in India has been steadily increasing as illustrated below:

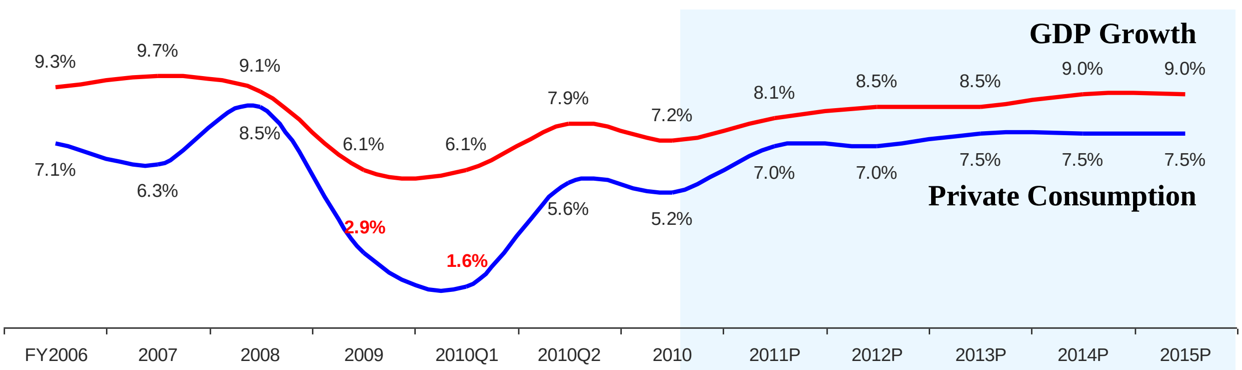
Per capita income and consumption: 2004-2005 prices (INR)



(Source: Indian Economic Survey 2009)

Consumption has played a bigger role in India's growth story than in other developing countries in Asia. At an earlier stage, India has entered a virtuous long term cycle in which rising incomes lead to increasing consumption, which, in turn, creates more business opportunities and employment, further fueling GDP and income growth. This is further highlighted by India's resilience to global economic recession which illustrates the importance of domestic consumption for sustainable growth in India. India'a GDP is poised for an average growth of 8-9% which will fuel private consumption.

The estimated growth in GDP and private consumption is given below:



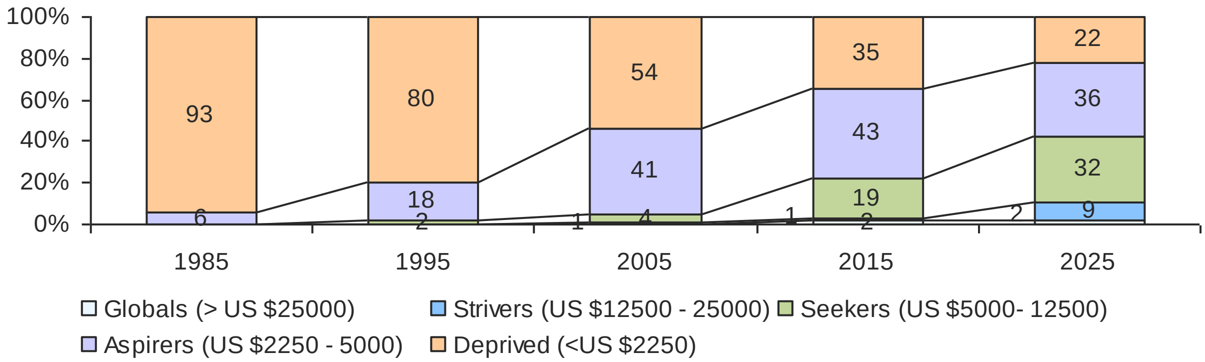
GDP is estimated to be US$ 1777 billion and consumption is set to double by 2015. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009)*

Key characteristics of the Indian consumer market:

Growing Aspiring Middle Class and High Income Segment: Rising incomes have lead to a higher proportion of aspiring middle class households. India is expected to experience tremendous consumption growth in its booming middle class and upper classes.

The expected change in income demorgraphics is given in the chart below:

Increasing Income Levels



- **Predominantly young consumers:** 72% of Indian population constitutes of people below 39 years, with 32% between 20-39 years having high consumption potential. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009).*

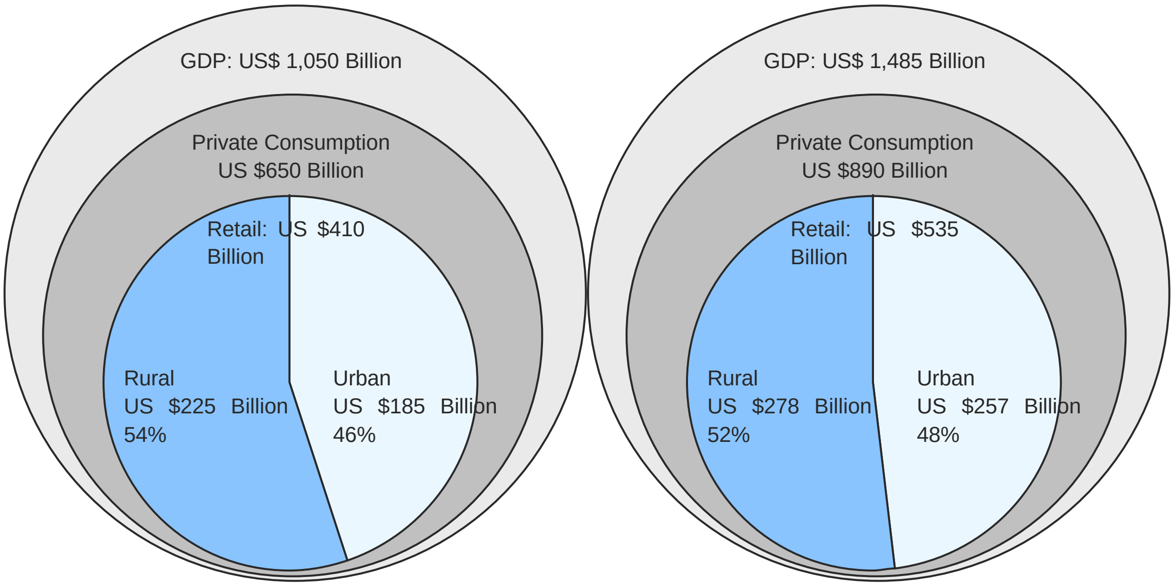
- **Reducing Dependency Ratio:** With greater diversity of employment opportunities across the country and greater mobility of work force, dependency ratio is reducing.

- **Rising Literacy Levels:** The literacy rate in India is expected to touch almost 90% by 2013 from present 70%; with **female** literacy touching 83% from present 69%. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009).*

- **Future consumption growth will be driven by both urban and rural markets.**

- **India has one of the largest consumer base in the world with approximately 500 million consumers over 18 years** of age (excluding Below Poverty Line families) across urban and rural India. Of this, urban India constitutes approximately 230 million consumers. By 2021, there maybe more than 125 cities having population in excess of 1 million and another 500 having population between 5,00,000 and 1 million which will offer significant opporunities in the consumption space. (source: Consumer Trends for 2010, and beyond, October 6, 2009, Technopak).

The expected growth in consumption in urban and rural markets is given in the chart below:



2008 **2013(P)**

(Source: Consumer Trends for 2010, and beyond, October 6, 2009, Technopak)

The growth in private consumption by USD 240 bn in 2013 will be lead by USD 125 bn in the retail sector. Urban market would account for 58% of the growth in the retail sector,

- **Indian consumers waking up to their aspirations beyond basic needs**

Against the above backdrop of positive changes in demographics and economic activity, consumers have the capacity to spend, wants to spend and now they have more options to spend. The consumption basket is expanding to include many more products on which discretionary income can be used. While in 1991, consumption was more on broader basic requirements, it is now focused on lifestyle and aspirational products. These categories on which consumers are spending more on are Education, Healthcare, Food services, home and mobiles and travel and tourism. (Source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

The key consumption categories and the projected growth are given in the table below:

		Value in US$ Bn
CATEGORY	**SIZE 2009**	**SIZE 2014**
Food & Grocery	270	339
Healthcare	36	58
Apparel & Home Textiles	34	45
Housing	33	47
Education	30	47
Telecom	26	42
Jewelry & Watches	26	36
Personal Transport	25	39
Travel & Leisure	13	21
CDIT	12	18
Home -Furniture ,Furnishing	11	15

		Value in US$ Bn
CATEGORY	**SIZE 2009**	**SIZE 2014**
Personal Care	10	18
Eating Out	5	8
Footwear	4	6
Health & Beauty Services	1	2

(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009)

SUMMARY OF BUSINESS

Overview

We are a part of the Future Group. The Future Group is a business group, led by Kishore Biyani, focusing on consumption-led businesses in India and is also one of India's leading organized multi-format retailers. PRIL, the flagship company of the Future Group, has incubated, nurtured and brought to maturity several businesses and formats, including FCH, Future Generali Insurance, Future Supply Chain, Future Agrovet, Future Media, Future Brands, Future Bazaar, Pantaloons, Central, Big Bazaar, Food Bazaar, Home Town and E-zone.

We seek to create, build, acquire, invest in and operate innovative and emerging businesses in growing "consumption-led" sectors in India, 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. Within the consumption-led sectors, we intend to focus primarily on opportunities in the business segments of (i) fashion, (ii) FMCG, (iii) food processing, (iv) home products, (v) rural distribution and (v) vocational education.

We intend to exercise operational control or influence in the business ventures that we promote or in which we acquire interests. In addition to allocating and providing capital, we intend to create, operationally manage and strategically mentor these businesses, which we refer to as the "Business Ventures". As of date, we have 13 Business Ventures, six of which are our subsidiaries. We seek to enable our Business Ventures to conceptualize and implement their growth and development strategies and to help them convert ideas and insights into viable business propositions. We intend to be a long-term owner, operator and/or partner of the Business Ventures and seek to create value as an active shareholder by deploying the consumer insights, operating skills and capabilities available to us as a part of the Future Group. We seek to access opportunities at various stages of the enterprise growth cycle, from nascent to more mature businesses, with a view towards medium to long-term value creation for our shareholders.

We intend to provide the Business Ventures with access to a wide range of resources within the Future Group. PRIL, along with other arms of the Future Group, is expected to assist the Company in providing mentoring to the Business Ventures, to actively assist their strategic growth and business development plans. We have entered into a Mentoring Services Agreement with PRIL to provide mentoring services to us and/ or the Business Ventures. For further details of the Mentoring Services Agreement, please see the section entitled "History and Certain Corporate Matters – Mentoring Services Agreement" on page 100. Additionally, we have entered into a Consulting and Advisory Services Agreement with FCH under which it will amongst other things support resource mobilisation in investee companies, advise on mergers and acquisitions and exit strategies and provide research services in relation to Treasury Assets. For further details of the Consulting and Advisory Services Agreement, please see the section entitled "History and Certain Corporate Matters – Consulting and Advisory Services Agreement" on page 99. We expect that the capabilities of PRIL and FCH will help us create, develop and generate long term value from our Business Ventures.

We were incorporated on July 10, 1996, with the name Subhikshith Finance & Investments Limited. Following its acquisition in July 14, 2007 by Future Value Retail Limited (earlier known as Pantaloon Future Ventures Limited), a wholly owned subsidiary of PRIL, we changed our name to Future Ventures India Private Limited. We are now a public limited company and are regulated by the RBI as a systemically important non-deposit accepting NBFC.

As at the date of the Draft Red Herring Prospectus, we had the following Business Ventures:

1. Fashion

(i) AND Designs India Limited, a women's apparel business;

(ii) Biba Apparels Private Limited, a women's apparel business;

(iii) Holii Accessories Private Limited, a joint venture with Hidesign India Private Limited which is a manufacturer and retailer of fashion accessories such as leather handbags and wallets;

(iv) Indus-League Clothing Limited, a designer, manufacturer and retailer of ready-made garments under various brands, such as "*Indigo Nation*", "*John Miller*", "*Scullers*" and "*Urban Yoga*" ;

(v) Celio Future Fashions Limited, a joint venture with a global brand of men's apparel and accessories based in France;

(vi) Lee Cooper (India) Private Limited, a manufacturer and retailer of Lee Cooper-branded products; and

(vii) Turtle Limited, manufacturer, distributor, exporter and retailer of men's wear products.

2. Home Products

(i) Indus Tree Crafts Private Limited, a social entrepreneurship which distributes hand crafted furniture and home accessories under the brand "*Mother Earth*".

3. Food Processing

(i) Capital Foods Exportts Private Limited, a food processing company having development and manufacturing capabilities in various processed food products, such as instant noodles, sauces, chutneys and microwavable rice and curries under various brands, including "*Ching's Secret*", "*Smith & Jones*", "*Raji*", "*Mama Marie*" and "*Kaeng Thai*".

4. FMCG

(i) Future Consumer Enterprises Limited, a company engaged in product development, designing, branding and distribution of FMCG products under brands such as "*Tasty Treat*" , "*Clean Mate*", "*Care Mate*", "*Premium Harvest*" and "*Fresh and Pure*"; and

(ii) Future Consumer Products Limited, a company engaged in product development, designing and branding of FMCG products under the brand "*Sach*".

5. Rural distribution

(i) Aadhaar Retailing Limited, a rural and semi-urban retailer of agricultural products and consumer products.

6. Others

(i) SSIPL Retail Limited, a retailer of Nike branded products, wholesaler of footwear, sportswear and apparel, and a manufacturer and distributor of footwear.

For further details of our Business Ventures, please see the section entitled "Business Ventures" on page 126.

Strengths

Synergy with the Future Group

The Future Group is a leading Indian business group promoted by Kishore Biyani which focuses on consumption-led businesses. The Future Group has successfully demonstrated the ability to identify, incubate and grow various consumption-led businesses in India like PRIL, FCH, Future Media, Future Brands, Future Supply Chain and Future Bazaar, and we expect to derive benefits from our strategic relationship with it. We also expect to have access to the expertise of the Future Group's management team, whose deep understanding of India's consumption-led sectors we intend to utilize in evaluating and monitoring our Business Ventures. In addition, we also believe that we will have access to industry contacts, brand building and publicity skills and the network of the Future Group, which we anticipate will aid us in effectively advising and managing our Business Ventures. We believe that access to the following attributes of the Future Group provide us with a competitive advantage:

Track record of incubating and growing businesses coupled with proven execution skills in creating one of the largest organized multi-format retail networks in India: The Future Group has conceptualised, supported and developed, various consumption-led business concepts such as Pantaloons, Central, Big Bazaar, Food Bazaar and Home Town, which enjoy wide brand recognition and customer loyalty. A key element of the Future Group's growth has been its strategy of actively mentoring its projects and we also expect to benefit from access to such mentoring capabilities. We also intend to leverage the execution skills of the Future Group, including its operational and managerial skills, to facilitate the management and growth of our Business Ventures, which we believe we already have done for certain of our existing Business Ventures. We will continue to access the experienced pool of finance, operating and investment professionals belonging to the Future Group for providing guidance and mentoring to the Business Ventures.

Deep understanding of the Indian consumption-led sectors and the evolving needs of the Indian consumer: As one of India's leading retail groups with over 12 years of organized retail experience, the Future Group has developed a deep understanding of the consumption-led sectors and businesses in India, including consumer aspirations. The Future Group's presence across multiple retail formats presents us with opportunities to source ideas which could be converted into successful businesses. We expect that access to these insights will enable us to effectively evaluate opportunities in our target sectors and formulate appropriate growth strategies for our Business Ventures.

Business sourcing opportunities: We believe that, because of its market presence, and successful track record of establishing new business formats, the Future Group will have access to a range of business opportunities in consumption-led sectors in India that we expect to be able to access. In addition, we also expect to have access to the industry contacts and the network of various Future Group entities to aid us in sourcing additional business opportunities. The Future Group network has already helped us source opportunities with respect to certain of our Business Ventures, such as Biba Apparels Private Limited, AND Designs India Limited, Indus Tree Crafts Private Limited and Capital Foods Exportts Private Limited.

Relationship with PRIL and the Future Group: We have entered into a Mentoring Services Agreement with PRIL, pursuant to which PRIL would provide mentoring services to us and/ or the Business Ventures. The assistance to be provided by PRIL would include, amongst other things, insights into consumer behaviour, advice regarding business strategy, review or development of business plans for the Business Ventures, guidance in development of new businesses, products and/ or distribution strategies, assistance in sourcing products and materials, and assistance in brand building and marketing of products. Furthermore, PRIL would provide assistance and advise to the Company in formulating strategies regarding exit from the Business Ventures and investment consumption-led sectors and undertaking due diligence on the Business Opportunities. We also have the option of nominating professionals from PRIL to the boards of our Business Ventures to manage and monitor them in a more comprehensive manner.

We would also have access to a pool of experienced professionals in the employment of PRIL and other Future Group companies, such as:

(i) Kailash Bhatia

Kailash Bhatia is the CEO and a director of PRIL. He has previous experience of approximately 30 years in the fashion industry and was a co-founder of "*ColorPlus*" brand. Prior to joining PRIL, he has worked with Color Plus Fashion Private Limited, Weekender, Arvind Mills Limited and Mafatlal Industries Limited.

(ii) Vibha Rishi

Vibha Rishi is the Group Strategy and Consumer Director of the Future Group. She is responsible for marketing, communication and customer strategy of the group companies. She is employed with Future Corporate Resources Limited. She holds a master's degree in business administration from the Faculty of Management Studies, University of Delhi. Vibha Rishi has previously worked with Tata Administrative Services and PepsiCo.

(iii) Damodar Mall

Damodar Mall is the Director Integrated Food Strategy of the Future Group. He is responsible for overall food and FMCG strategies for the Future Group. He is employed with Future Corporate Resources Limited. He has previous experience of approximately 20 years in the FMCG and food industry. He was a co-founder of D'Mart, a supermarket chain based in Mumbai. He holds a bachelor's degree in technology from the Indian Institute of Technology, Mumbai and post graduate diploma in management from the Indian Institute of Management, Bangalore. Damodar Mall has previously worked with Hindustan Unilever Limited.

(iv) Santosh Desai

Santosh Desai is the Managing Director and CEO of Future Brands India Limited. He has approximately 21 years of experience in the advertising industry. He holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Santosh Desai has previously worked as President with McCann-Erickson, India. He has also been keynote speaker at various advertising forums within and outside India and has also addressed the management teams of several multinationals on advertising related matters.

Additionally, we have also entered into a consulting and advisory services agreement with FCH. Under the agreement, the FCH's responsibilities include supporting resource mobilisation in investee companies and advising on mergers and acquisitions and exit strategies and providing research services in relation to Treasury Assets.

Uniquely positioned to access opportunities in consumption-led sectors

Whilst we would have access to the experience and industry networks of the Future Group, all Business Opportunities would be independently evaluated by our Investment Management Team and approved by us. This would provide us with a unique perspective for evaluating Business Opportunities which are closely aligned to our investment philosophy and which may have significant potential for growth on account of consumer demand in the businesses they operate. Moreover, our business model of acquiring interest and managerial control in companies, rather than operating such companies directly, provides us with an opportunity of participating in growth of consumption-led sectors with mitigated exposure to attendant operational risks. Additionally, within the consumption-led sectors, we have presence or seek to establish our presence in business opportunities belonging to diverse segments comprising of fashion, home products, food processing, FMCG, rural distribution and vocational education, which reduces our exposure to risks associated with, or downturns that may afflict, any particular segment.

Access to diverse growth businesses through long-term and liquid investment opportunities

We believe that there are a number of business opportunities in India that for a variety of reasons offer the potential for long-term growth. For example, due to rapidly rising income levels in India and the resultant changes in consumption patterns, consumption-led industries are considered to have high growth potential. We will look to explore opportunities for capital across entities operating in consumption-led sectors and will seek to offer our shareholders access to the potential growth prospects presented by these opportunities.

Brand equity of certain of our Business Ventures

We intend to focus on consumption-led sectors and brand recognition is a significant element of successfully operating in the consumption-led sectors. Certain of our Business Ventures have been successful in creating distinct brands.

We believe that AND Designs India Private Limited ("AND Designs") and Biba Apparels Private Limited ("Biba") have established themselves as recognisable retailers of women's apparel. AND Designs has established women's apparel brands catering to various segments of the market including "*AND*", "*Anita Dongre Inter Pret*", "*Anita Dongre Timeless*", "*GRASSROOT*" and "*Globaldesi*". In addition to its established presence in women's ethnic wear segment in India, Biba has also established *"Meena Bindra"* brand which caters to the price-conscious segments of the market. Indus-League Clothing Limited designs, manufactures and retails ready-made garments under various recognisable brand names including "*Indigo Nation*", "*John Miller*", "*Scullers*" and "*Urban Yoga*". Lee Cooper (India) Private Limited and Indus Tree Crafts Private Limited market their products under "*Lee Cooper*" and "*Mother Earth*", respectively, which are well recognised within their respective business segments. "*Ching's Secret*" and "*Smith & Jones*" brands of Capital Foods Exportts Private Limited are well recognised for processed food products.

The brand equity of our Business Ventures provides them with a wider access to the markets within their respective business segments. It also provides them with an ability to leverage the existing brand equity to launch new brands and/ or products. We believe the strength of the brands established by our Business Ventures is testimonial to their commitment to provide quality products to customers.

Experienced management team

Our business is supported by a talented and experienced pool of finance, operating and investment professionals with a variety of backgrounds in finance, accounting and retailing, including Our Chief Investment Officer, K. K. Rathi; our Vice-President (Investments), Meenakshi Maheshwari and our Vice-President (Finance), Gopal Bihani. The brief biographies of our key employees are detailed below:

(i). K. K. Rathi

K.K. Rathi, our Chief Investment Officer, is a qualified Chartered Accountant and Company Secretary with approximately 24 years of professional experience. He has prior experience in corporate finance, strategic business planning and investment advisory, which was acquired in reputable organisations such as KEC International Limited, H&R Johnson (India) Limited, PRIL and Motilal Oswal Private Equity Advisors Private Limited. He has previously worked as Group CFO with PRIL where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance. K.K. Rathi is also a director of various companies including Future Generali India Life Insurance Company Limited, Future Generali India Insurance Company Limited, Sain Advisory Private Limited, FCH Centrum Direct Limited, FCH Centrum Wealth Managers Limited and Future Capital Holdings Limited.

(ii). Meenakshi Maheshwari

Meenakshi Maheshwari, our Vice- President (Investments), is a qualified Chartered Accountant with approximately 18 years of experience in financial accounting, due diligence and transaction advisory. She has worked in senior management positions with organisations such as Ernst & Young, KPMG and Ferrier Hodgson, where she has assisted private equity and strategic investors in evaluation of their investment decisions. Meenakshi Maheshwari has also assisted investors and lenders in pot-investment monitoring, review and restructuring of investee companies. She has also worked with Godrej GE Appliances Limited, an FMCG company.

(iii). Gopal Bihani

Gopal Bihani, our Vice-President (Finance) is a qualified chartered accountant and has approximately 12 years of experience in consumption-led and manufacturing sectors. He has been working with the Future Group since 2005. Prior to joining our Company, Gopal Bihani has worked as CFO for different business formats and companies of the Future Group, such as Aadhar Retailing Limited, Food Bazaar (a division of PRIL) and GJ Future Fashion Limited (Gini & Jony). Gopal Bihani has previously worked with H&R Johnson (India) Limited and Indian Council for International Amity. He has experience in accounting and financial management, strategic business planning and execution, conducting operational monitoring, establishing management reporting system, ERP implementation for retail and manufacturing companies, investor relationship management and compliance.

Strategy

Focus on consumption-led sectors in India

We believe that we will be able to enhance our return on assets by focusing on consumption-led businesses in India.

We intend to focus primarily on opportunities in the business segments of (i) fashion, (ii) FMCG, (iii) food processing, (iv) home products, (v) rural distribution and (v) vocational education. We believe that our target sectors will benefit from the rapidly rising income levels in India and the resultant changes in consumption patterns. Accordingly, we will focus on sourcing opportunities in industries which are consumer driven and have high growth potential. Our strategy is not to concentrate our businesses, but to consider opportunities across various segments within consumption-led sectors.

Actively operate and manage our Business Ventures

We intend to promote or hold a significant stake in our Business Ventures, and to exert operational control or influence over them through, among other methods, maintaining board or senior executive representation as well as placing persons in management or advisory roles. We expect to influence business strategy and decision-making of our Business Ventures through operational management and the exercise of customary shareholders' rights commensurate with the level and type of our participation in the business. We will also pursue appropriate longer-term value creation strategies, which may include unlocking value in our Business Ventures through public market or private sales after taking into account factors such as the stage of development of the relevant Business Venture and general market conditions. We also propose to provide the Business Ventures with access to expertise and experience of PRIL and have entered into the Mentoring Services Agreement with PRIL to facilitate the same.

Diversify our businesses

Although our focus will be on consumption-led sectors, we may also diversify into other potential high growth sectors. We intend to participate in emerging businesses, including those within consumption-led sectors, both through building new businesses directly and partnering with other companies to develop or grow Business Ventures jointly. We also intend to participate in more mature opportunities in companies which we believe have unrecognized growth potential, or are undervalued or in which we believe we can identify hidden assets or recovery potential. We believe that this approach will position us to perform well in a variety of market conditions and add complementary assets to our business.

Our goal is to manage and mentor our Business Ventures with a view to achieving long-term growth, although we may also consider short-term opportunities where we see prospects for attractive returns. In determining the opportunities we will pursue, Investment Committee and Investment Management Team will focus on the optimal outcomes for our Business Ventures generally over a period of several years rather than on the near-term impact on our revenue, profits or cash flow. It is our strategy to extract optimal capital growth in our Business Ventures while managing risks, with a view to providing an acceptable return on assets. To this end, we will seek opportunities that demonstrate clear growth prospects and talented and committed management.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone and consolidated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section entitled "Financial Statements" on page 155. The summary financial information presented below should be read in conjunction with our restated standalone and consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 247 and 155, respectively.

Standalone Statement of Assets and Liabilities, as Restated

(INR in Lakhs)

Particulars	As At				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
A. Fixed Assets					
Gross Block	56.50	58.67	35.12	7.23	7.27
Less: Depreciation	(25.77)	(14.84)	(2.08)	(6.86)	(6.73)
Net Block	30.73	43.83	33.04	0.37	0.54
Total Fixed Assets (A)	**30.73**	**43.83**	**33.04**	**0.37**	**0.54**
B. Deferred Tax Asset (Net) (B)	**1.22**	**2.53**	**(0.93)**	**0.00**	**0.00**
C. Investment	**45,398.32**	**27,885.19**	**30,903.95**	**0.00**	**0.00**
D. Current Assets, Loans & Advances					
Cash and Bank Balances	1,134.96	715.37	128.39	34.95	27.21
Other Current Assets	11,811.94	6,994.60	12,406.05	17.56	22.84
Total Current Assets, Loans and Advances (D)	**12,946.90**	**7,709.97**	**12,534.44**	**52.51**	**50.05**
E. Liabilities and Provisions					
Current Liabilities	45.06	141.53	7,473.03	0.65	0.65
Provisions	461.46	44.85	29.83	8.11	6.97
Total Liabilities and Provisions (E)	**506.52**	**186.38**	**7,502.86**	**8.76**	**7.62**
F. Net Worth (A) + (B)+ (C) + (D)- (E)	**57,870.65**	**35,455.14**	**35,967.64**	**44.12**	**42.97**
G. Represented By:					
Share Capital (including Share Application)	57,624.37	36,884.37	36,384.37	29.37	29.37
Reserves and Surplus	5.79	5.79	5.79	11.27	10.35
Statutory Reserve Fund	338.58	3.48	3.48	3.48	3.25
Debit Balance in Profit & Loss Account	(98.09)	(1438.50)	(426.00)	0.00	0.00
Net Worth	**57,870.65**	**35,455.14**	**35,967.64**	**44.12**	**42.97**

Standalone Statement of Profit and Loss, as Restated

(INR in Lakhs)

Particulars	**For the Years Ended**				
	31-Mar-10	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
Income from Operations	2,575.34	(389.52)	507.54	3.12	2.77
Interest on Deposits	0.38	79.05	0.64	2.40	1.16
Other Income	0.00	8.14	0.27	0.25	0.49
Profit on Sale of Assets	0.00	0.00	0.06	0.00	0.00
Total Income	**2,575.72**	**(302.33)**	**508.51**	**5.77**	**4.42**
Employee Costs	300.77	234.00	80.45	1.20	0.60
Administrative and Other Expenses	161.55	463.82	819.56	1.65	1.76
Financing Charges	0.00	0.00	11.41	0.00	0.00
Depreciation	11.56	12.76	2.14	0.13	0.21
Depreciation – Prior Period	0.00	0.00	0.00	0.00	0.00
Provision for Non-Performing Assets	0.00	0.00	0.00	1.02	1.23
Total Expenditure	**473.88**	**710.58**	**913.56**	**4.00**	**3.80**
Net Profit Before Taxation	2,101.84	(1,012.91)	(405.05)	1.77	0.62
Provision for Taxation					
- Income Tax	425.00	0.00	25.00	0.61	0.23
- Deferred Tax	1.32	(3.46)	0.93	0.00	0.00
- Fringe Benefit Tax	0.00	3.05	0.50	0.00	0.00
Net Profit/(Loss) after Taxation	**1,675.52**	**(1,012.50)**	**(431.48)**	**1.16**	**0.39**
Less:					
Transfer to Reserve Fund (As per 45-IC of RBI Act)	335.11	0.00	0.00	0.23	0.08
Transfer to General Reserve Fund	0.00	0.00	0.00	0.12	0.04
Add:					
-Surplus/(Deficit) brought forward from previous year	(1,438.50)	(426.00)	5.48	4.67	4.40
Balance transferred to Balance Sheet	**(98.09)**	**(1,438.50)**	**(426.00)**	**5.48**	**4.67**

Standalone Statement of Cash flows, as Restated

(INR in Lakhs)

Particulars	**For the Years Ended**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Net Profit/ (Loss) Before Tax as per Audited Accounts	2,101.84	(1,012.91)	(405.05)	1.77	0.62
Adjustments for:					
Depreciation	11.56	12.76	2.14	0.13	0.21
Interest Charges	0.00	0.00	11.41	0.00	0.00
Provision for Non-Performing Assets (Net of write back)	0.00	0.00	(0.27)	0.77	0.74
(Profit) /Loss on Sale of Assets (Net)	2.04	0.00	(0.06)	0.00	0.06
Interest Income	(828.20)	(856.24)	(216.62)	(5.52)	(3.93)
Dividend Income	(46.69)	(241.67)	(271.68)	0.00	0.00
Loss/(Profit) on sale of Investments	(1,700.83)	1,408.38	(19.88)	0.00	0.00
Miscellaneous Expenditure Written Off	0.00	0.00	0.00	0.00	0.04
Operating Profit/(Loss) Before Working Capital Changes	**(460.28)**	**(689.68)**	**(900.01)**	**(2.85)**	**(2.26)**
Adjustment for:					
(Increase)/Decrease in Receivables	0.00	0.00	0.00	5.70	2.88
(Increase)/Decrease in Other Current Assets	(4,425.50)	5,613.79	(12,230.37)	0.24	0.54
Increase/(Decrease)in Current Liabilities and Provisions	(104.86)	(7,319.30)	7,474.97	1.54	0.83
Cash Generated from/(used in) Operations	**(4,990.64)**	**(2,395.19)**	**(5,655.41)**	**4.63**	**1.99**
(Direct Taxes Paid)/Refund received	(250.26)	(5.14)	(36.21)	(0.57)	(0.01)
Add: Dividend Received	46.69	241.67	271.68	0.00	0.00
Add; Interest Received	686.62	658.80	88.62	3.63	3.69
Net Cash from/ (used in) Operating Activities (A)	**(4,507.59)**	**(1,499.86)**	**(5,331.32)**	**7.69**	**5.67**
Cash Flow from Investing Activities					
Purchase of Fixed Assets	(1.38)	(23.55)	(35.12)	0.00	0.00
Sale of Fixed Assets	0.87	0.00	0.37	0.05	0.07
Investment in Fixed Deposits (net of withdrawals)	0.00	0.00	28.77	(2.38)	(0.26)
Purchase of Investments	(41,201.20)	(28,422.34)	(74,892.41)	0.00	0.00
Dimulation in Value of Investment	0.00	0.00	0.00	0.00	0.00
Sale of Investment	25,388.89	30,032.73	44,008.33	0.00	0.00
Net Cash (used in)/ from Investing Activities (B)	**(15,812.82)**	**1586.84**	**(30,890.06)**	**(2.33)**	**(0.19)**
Cash Flow from Financing Activities					
Interest Paid	0.00	0.00	(11.41)	0.00	0.00
Proceeds from Issue of Equity Shares	20,740.00	500.00	36,355.00	0.00	0.00
Increase/ (Decrease) in Bank	0.00	0.00	0.00	0.00	(6.00)

Particulars	For the Years Ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Borrowings					
Net Cash (used in) / from Financing Activities (C)	**20,740.00**	**500.00**	**36,343.59**	**0.00**	**(6.00)**
Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)	**419.59**	**586.98**	**122.21**	**5.36**	**(0.52)**
Cash and Cash Equivalents At the Beginning of the Period/Year	715.37	128.39	6.18	0.82	1.34
Cash and Cash Equivalents At the End of the Period/Year	1,134.96	715.37	128.39	6.18	0.82
Net (Decrease)/ Increase in Cash & Cash Equivalents	419.59	586.98	122.21	5.36	(0.52)
Note:					
Cash and Cash Equivalents at the Beginning of the Period/Year	715.37	128.39	34.95	27.21	27.47
Less: Investment in Fixed Deposits (Long Term)	0.00	0.00	28.77	26.39	26.13
Cash and Cash Equivalents at the Beginning of the Period/Year	715.37	128.39	6.18	0.82	1.34
Cash and Cash Equivalents at the End of the Period/Year	1,134.96	715.37	128.39	34.95	27.21
Less: Investment in Fixed Deposits (Long Term)	0.00	0.00	0.00	28.77	26.39
Cash and Cash Equivalents at the End of the Period/Year	1,134.96	715.37	128.39	6.18	0.82

Consolidated Statement of Assets and Liabilities, as Restated

(INR in Lakhs)

Particulars	As At		
	March 31, 2010	March 31, 2009	March 31, 2008
A. Fixed Assets			
Gross Block	14,048.30	8,295.54	7,485.81
Less: Depreciation	(3,421.57)	(833.98)	(154.26)
Net Block	10,626.73	7,461.56	7,331.55
Capital Work in progress	161.84	129.90	69.01
Total Fixed Assets (A)	**10,788.57**	**7,591.46**	**7,400.56**
B. Deferred Tax Asset (Net) (B)	**37.57**	**2.53**	**0.00**
C. Goodwill on consolidation	**22,877.74**	**1,372.01**	**1,282.87**
D. Investment	**10,092.89**	**22,197.87**	**26,866.51**
E. Current Assets, Loans & Advances			
Receivables	14,498.68	538.22	22.22
Inventories	10,122.69	3,868.28	2,510.17
Cash and Bank Balances	1,852.04	1,287.53	400.11
Other Current Assets	12,744.70	5,035.57	13,524.21
Total Current Assets, Loans and Advances (E)	**39,218.11**	**10,729.60**	**16,456.71**
F. Minority interest	**7,414.96**	**878.40**	**1,179.37**
G. Liabilities and Provisions			
Secured Loans	11,351.52	810.91	860.18
Unsecured Loans	5,526.65	4,764.77	4,849.25
Current Liabilities	7,591.93	4,270.35	9,426.29
Provisions	644.28	66.24	118.80
Deferred Tax Liability (net)	32.06	404.78	24.10
Total Liabilities and Provisions (G)	**25,146.44**	**10,317.05**	**15,278.62**
H.Net Worth (A)+(B)+(C)+(D)+(E)-(F)- (G)	**50,453.48**	**30,698.02**	**35,548.66**
I. Represented By:			
Share Capital	57,624.37	36,884.37	36,384.37
Reserves and Surplus	5.79	5.79	5.79
Revaluation Reserve	25.71	0.00	0.00
Statutory Reserve Fund	338.58	3.47	3.47
Debit Balance in Profit & Loss Account	(7,540.97)	(6,195.61)	(844.97)
Net Worth	**50,453.48**	**30,698.02**	**35,548.66**

Consolidated Statement of Profit and Loss, as Restated

(INR in Lakhs)

Particulars	For the Years Ended		
	March 31, 2010	March 31, 2009	March 31, 2008
Sale of Retail Merchandise	12,389.36	12,017.91	5.50
Income from Investing Activity	733.36	1,004.72	507.54
Profit/(Loss) on trading securities	(318.49)	(1,408.38)	0.00
Other Operating Income	256.81	263.59	0.00
Interest on Deposits	8.69	92.43	0.64
Other Income	2,297.73	4.39	1.73
Profit on Sale of Assets	0.00	0.63	0.06
Proportionate Share in Joint Ventures	2,423.82	1,089.18	0.00
Total Income	**17,791.28**	**13,064.47**	**515.47**
Cost of Goods Sold (including Accretion/ Decretion to Inventory)	12,417.64	12,523.05	6.41
Employee Costs	2,408.57	2,037.88	81.85
Administrative and Other Expenses	3,028.11	2,698.85	820.79
Interest & Financing Charges	1,042.29	220.06	12.84
Depreciation	862.33	700.35	3.27
Less : Transfer from Revaluation Reserve	(0.13)	0.00	0.00
Preliminary Expenses Written off	0.03	0.00	0.00
Total Expenditure	**19,758.84**	**18,180.19**	**925.16**
Profit/ (Loss) before Prior Period items	(1,967.56)	(5,115.72)	(409.69)
Add/(Less):Proportionate share of prior period items in a Joint Venture Expenses relating to earlier years	0.00	(31.55)	0.00
Net Profit / (Loss) Before Taxation	**(1,967.56)**	**(5,147.27)**	**(409.69)**
Less :Provision for Taxation			
- Income Tax	425.13	0.00	25.03
- Deferred Tax	(265.79)	378.15	1.24
- Fringe Benefit Tax	0.00	33.89	0.54
-Proportionate share in a Joint venture	0.15	1.48	0.00
-Provision for income tax relating to earlier years	7.07	0.00	0.00
Net Profit/ (Loss) before Adjustments	**(2,134.12)**	**(5,560.79)**	**(436.50)**
[Add/(Less)] Adjustments: (Refer Note A (1) in Annexure IV			
Expenses relating to earlier years	0.00	31.55	0.00
Provision for Income Tax relating to earlier years	7.07	0.00	0.00
Net Adjustments	**7.07**	**31.55**	**0.00**
Restated Net Profit/ (Loss) after Taxation	**(2,127.05)**	**(5,529.24)**	**(436.50)**
Less:			
-Add/(Less): Share in Associates	36.87	(947.37)	(415.46)
Add/(Less): Minority Interest	1,022.17	1,125.97	1.51
Net Profit/ (Loss) after share of Associates & Minority interest	**(1,068.01)**	**(5,350.64)**	**(850.45)**
-Surplus/(Deficit) brought forward from previous year	(6,195.61)	(844.97)	5.48
Add : Adjustment on Acquisition of subsidiaries	57.75	0.00	0.00
Transfer to Reserve Fund (As per 45-IC of RBI Act)	335.10	0.00	0.00
Balance transferred to Balance Sheet	**(7,540.97)**	**(6,195.61)**	**(844.97)**

Consolidated Statement of Cash flows, as Restated

(INR in Lakhs)

Particulars	**For the Years Ended**		
	March 31, 2010	**March 31, 2009**	**March 31, 2008**
Restated Net Profit/(Loss) before Tax & before Prior period items	(1,967.56)	(5,115.72)	(409.69)
Restatement Adjustments affecting Cash Flow:			
Add/(Less):			
Expenses of earlier years written off	0.00	(31.55)	0.00
Restated Net Profit/(Loss) before Tax and After Restatement Adjustments	(1,967.56)	(5,147.27)	(409.69)
Adjustments for:			
Depreciation	862.20	700.35	3.27
Interest & Financial Charges	865.73	220.06	12.85
Provision for Non-Performing Assets (Net of write back)	0.00	(4.39)	(0.27)
(Profit)/Loss on Sale of Assets (Net)	49.44	(0.63)	(0.06)
Interest Income	(692.14)	(855.48)	(216.62)
Dividend Income	(46.69)	(241.67)	(271.68)
Gain on Disposal of Associates	(1,321.18)	0.00	0.00
Gain on Disposal of Joint Ventures	(852.19)	0.00	0.00
Loss/(Profit) on sale of Investments	318.49	1,408.38	(19.88)
Provision for Doubtful Loans & Advances	53.45	0.00	0.00
Bad Debts Written Off Out of Provision	7.00	0.00	0.00
Operating Profit Before Working Capital Changes	(2,723.45)	(3,920.65)	(902.08)
Adjustment for:			
(Increase)/Decrease in Inventory	1,663.21	(1,358.11)	(2,510.17)
(Increase)/Decrease in Trade & other Receivables	(4,742.06)	8,196.00	(13,383.58)
Increase/(Decrease)in Current Liabilities and Provisions	(1,817.84)	(5,174.58)	9,480.48
Cash Generated from/(used in) Operations	(7,620.14)	(2,257.34)	(7,315.35)
Direct Taxes Paid/Refund received	(449.40)	(23.49)	(65.83)
Dividend Income	46.69	241.67	271.68
Interest Received	597.49	655.61	88.59
Net Cash from/ (used in) Operating Activities (A)	**(7,425.36)**	**(1,383.55)**	**(7,020.91)**
Cash Flow from Investing Activities			
Purchase/Acquisition of Fixed Assets	(3,066.44)	(1,040.80)	(7,403.76)
Sale of Fixed Assets	1,661.05	2.00	0.36
Purchase of Investment	(23,172.81)	(27,694.15)	(71,270.43)
Sale of Investments	15,568.88	30,032.72	44,008.32
Net Cash (used in)/ from Investing Activities (B)	**(9,009.32)**	**1,299.77**	**(34,665.51)**
Cash Flow from Financing Activities			
Interest Paid	0.00	(220.06)	(12.85)
Proceeds from Borrowings	0.00	0.00	5,709.43
Proceeds from Share Application Money	0.00	825.00	0.00
Proceeds from Issue of Equity Shares	20,740.00	500.00	36,355.00

Particulars	For the Years Ended		
	March 31, 2010	**March 31, 2009**	**March 31, 2008**
Repayment of Borrowings	(3,335.28)	(133.74)	0.00
Financial Charges	(865.73)	0.00	0.00
Net Cash from Financing Activities (C)	**16,538.99**	**971.20**	**42,051.58**
Net Increase in Cash & Cash Equivalents (A+B+C)	**104.31**	**887.42**	**365.16**
Cash and Cash Equivalents At the Beginning of the Year	1,287.53	400.11	34.95
Add : Adjustment on acquisition and Disposal of Subsidiaries and Joint Ventures during the year (Net)	460.20	0.00	0.00
Cash and Cash Equivalents At the End of the Year	1,852.04	1,287.53	400.11
Net Increase in Cash & Cash Equivalents	**104.31**	**887.42**	**365.16**

THE ISSUE

The Issue	[●] Equity Shares of Face Value of Rs. 10 each aggregating up to Rs. 75,000 Lakhs
Of which	
A) QIB Portion[(1)(2)]	Not more than [●] Equity Shares
Of which	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares
Equity Shares outstanding prior to the Issue	82,62,43,700 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See the section entitled "*Objects of the Issue*" on page 37 for information about use of the Net Proceeds

Allocation to all categories, except Anchor Investor Protection, if any, shall be made on a proportionate basis.

(1) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the QIB Portion, the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill-over from other category or a combination of categories, at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.*

(2) *The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled "Issue Procedure" on page 312.*

GENERAL INFORMATION

The Company was originally incorporated as Subhikshith Finance & Investments Limited on July 10, 1996 and commenced business on August 2, 1996. The Company became a private limited company on August 10, 2001 and consequently changed its name to Subhikshith Finance & Investments Private Limited ("Subhikshith"). The Registrar of Companies, Tamil Nadu issued a fresh certificate of incorporation on September 17, 2001. The name of the Company was changed from Subhikshith Finance & Investments Private Limited to Future Ventures India Private Limited through a special resolution passed at the EGM of the Company held on July 19, 2007. The fresh certificate of incorporation consequent on change of name was granted by the ROC to the Company on August 9, 2007. Further, upon ceasing to be a private limited company, the word private was deleted through a special resolution at the EGM of the Company held on August 10, 2007. The fresh certificate of incorporation consequent on change of name was granted by the ROC to the Company on September 7, 2007. For further details please refer to the section titled 'History and Certain Corporate Matters' on page 95.

Registered Office

Future Ventures India Limited
Knowledge House
Shyam Nagar
Off Jogeshwari Vikhroli Link Road
Jogeshwari (E), Mumbai 400 060
Tel.: (91 22) 3084 2200
Fax: (91 22) 3084 2201
Email: investor.care@futureventures.in
Corporate Identity Number: U67120MH1996PLC192090

Address of the Registrar of Companies

The Company is registered with the ROC, Maharashtra situated at:

100, Everest
Marine Drive
Mumbai 400 002
Tel: (91 22) 2281 2639
Fax: (91 22) 2281 1977
Email: roc.mumbai@mca.gov.in

The Board of Directors

The Board of Directors consists of:

Name	Designation	DIN	Address
G. N. Bajpai	Chairman, Non executive and Independent Director	00946138	131, Shaan Apartments K.D. Marg, Opp. Kirti College Prabhadevi, Mumbai 400 028
Kishore Biyani	Managing Director	00005740	406, Jeevan Vihar Manav Mandir Road Mumbai 400 006
Anil Harish	Non-Executive and Independent Director	00001685	13, CCI Chambers, 1st Floor Dinshaw Wacha Road, Churchgate Mumbai 400 020
Anand Balasundaram	Non-Executive and Non-Independent Director	02792009	D 814 Paradise Raheja Vihar, Powai Mumbai 400 072

Name	Designation	DIN	Address
Jagdish Shenoy	Non-executive and Independent Director	01754643	Atmaram Bhuvan, Plot no 250, Room No.11 Station Road, Wadala (West) Mumbai 400028

For further details of the Directors, please see the section entitled "Management" on page 109.

Company Secretary and Compliance Officer

Manoj Gagvani
Company Secretary and Head-Legal

Knowledge House
Shyam Nagar
Off Jogeshwari Vikhroli Link Road
Jogeshwari (E), Mumbai 400 060
Tel.: (91 22) 3084 2200
Fax: (91 22) 3084 2201
Email: investor.care@futureventures.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidder.

Book Running Lead Managers

Enam Securities Private Limited

801/ 802, Dalamal Tower
Nariman Point
Mumbai 400 021
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
E-mail: fvil.ipo@enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Anurag Byas
SEBI Registration No.: INM000006856

JM Financial Consultants Private Limited
141, Maker Chambers III
Nariman Point
Mumbai 400 021
Tel: (91 22) 6630 3030
Fax: (91 22) 2204 7185
Email: fvil.ipo@jmfinancial.in
Investor Grievance Email: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Lakshmi Lakshmanan
SEBI Registration No: INM000010361

Kotak Mahindra Capital Company Limited
First floor, Bakhtawar
229, Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2284 0492
E-mail: fvil.ipo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.kmcc.co.in
Contact Person: Chandrakant Bhole
SEBI Registration No.: INM000008704

Co-Book Running Lead Managers

Edelweiss Capital Limited
14th Floor, Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: fvil.ipo@edelcap.com
Investor Grievance Email:
customerservice.mb@edelcap.com
Website: www.edelcap.com
Contact Person: Dipti Samant
SEBI Registration No.: INM0000010650

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: fvil.ipo@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www. icicisecurities.com
Contact Person: Gaurav Gupta
SEBI Registration No: INM000011179

Syndicate Members

[•]

Legal Counsel to the Issue

Amarchand Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai 400 078
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
E-mail: fvil.ipo@linkintime.co.in
Investor Grievance Email: fvil.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sachin Achar
SEBI Registration No: INR000004058

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
ASV N Ramanas Tower
52, Venkatnarayana Road
T. Nagar, Chennai 600 017
Tel : (91 44) 6688 5000
Fax: (91 44) 6688 5050
Firm Registration No.: 008072S

IPO Grading Agency

This Issue has been graded by [●] as [●], indicating [●]. The rationale furnished by the grading agency for its grading will be updated at the time of filing the Red Herring Prospectus with the ROC.

Experts

Except the report of the Auditors dated August 10, 2010 and the statement of tax benefits dated July 28, 2010 provided by Deloitte Haskins & Sells and the report of [●] in respect of the IPO grading of this Issue annexed herewith to this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Bankers to the Company

Yes Bank
11th Floor, Nehru Centre
Discovery of India,
Dr. Annie Besant Road, Worli
Mumbai 400 018
Contact Person: Surbhi Wahi
Tel: (91 22) 6669 9208
Fax: (91 22) 2490 1128
E mail: surbhi.wahi@yesbank.in
Website: www.yesbank.in

HDFC Bank Limited
Maneckji Wadia Building, Ground Floor
Nanik Motwani Marg, Fort
Mumbai 400023
Contact Person: Himanshu Maggu
Tel: (91 22) 2498 8890
Fax: (91 22) 24963994
Email:
Himanshu.Maggu@hdfcbank.com
Website: www.hdfcbank.com

Allahabad Bank, Fort Mumbai
37, Mumbai Samachar Marg,
Fort, Mumbai-400 023
Tel: 022 662 018
Fax: 022 661 935
Contact Person: S.K. Jain
Email:
br.mumfort@allahabadbank.in
Website: www.allahabadbank.in

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on website of SEBI at http://www.sebi.gov.in/pmd/scsb.html. For details on designated branches of SCSBs collecting the ASBA bid cum Application Form, please refer to the SEBI website.

Monitoring Agency

The Company has appointed [●] as the monitoring agency pursuant to the agreement dated [●].

Statement of *inter se* allocation of Responsibilities between the BRLMs and the CBRLMs for the Issue

The following table sets forth the distribution of responsibility and co-ordination for various activities amongst the BRLMs and the CBRLMs:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities etc.	Enam, JM Financial, Kotak	Enam
2.	Due diligence of the Company's operations / management / business plans/legal documents etc. Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	Enam, JM Financial, Kotak	Enam
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	Enam, JM Financial, Kotak	Kotak

Sr. No.	Activities	Responsibility	Co-ordinator
4.	Appointment of intermediaries Registrar(s), Advertising Agency and Bankers to the Issue	Enam, JM Financial, Kotak	JM
5.	Appointment of other intermediaries, *i.e.* Printers	Enam, JM Financial, Kotak	Enam
6.	• Institutional Marketing Strategy • Finalisation of the list of institutional investors for one to one meetings in consultation with the Company. • Preparation of road show presentation and other marketing materials	Enam, JM Financial, Kotak, Edelweiss, I-Sec	Enam
7.	• Non-institutional and Retail marketing of the Issue, which will cover, inter alia: Finalize centers for holding conference for brokers etc • Finalise media, marketing and PR strategy • Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Issue material • Finalise Collection orders	Enam, JM Financial, Kotak, Edelweiss, I-Sec	JM
8.	Managing the Book and Co-ordination with Stock Exchanges	Enam, JM Financial, Kotak	JM
9.	Pricing	Enam, JM Financial, Kotak	Enam
10.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities of the Issue will involve essential follow up steps, which must include Finalization of listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling refund business. BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the Issuer Company.	Enam, JM Financial, Kotak	JM

Credit Rating

As this is an issue of Equity Shares, credit rating is not required for the Issue.

Trustee

As this is an issue of Equity Shares, the appointment of a trustee is not required.

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by the Company, in consultation with the BRLMs, and advertised at least two days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- the Company;
- the BRLMs;
- the CBRLMs;
- the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with

BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;

- the SCSBs;
- the Registrar to the Issue; and
- the Escrow Collection Banks.

The Issue is being made through the 100% Book Building Process whereby not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please see the section entitled "Terms of the Issue" on page 305.

The Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, the Company has appointed the BRLMs and the CBRLMs to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and excludes bidding by Anchor Investors or the ASBA process.)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, Rs. 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (please see the section entitled "Issue Procedure – Who Can Bid?" on page 313);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values. Ensure that you have mentioned your PAN Client ID and DP ID in the Bid cum Application Form. In accordance with the SEBI Regulations, PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please see the section entitled "Issue Procedure – Permanent Account Number" on page 330):

4. Ensure that the Bid cum Application Form and ASBA Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and ASBA Bid cum Application Form;

5. Bids by QIBs (including Anchor Investors) will only have to be submitted to the BRLMs and CBRLMs and/or their affiliates, other than Bids by QIBs (excluding the Anchor Investors) who Bid through ASBA process, who shall submit the Bids to the Designated Branches of the SCSBs; and

6. ASBA Bidders will have to submit Bids (physical form) to the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the ROC, we intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and CBRLMS shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The obligations of the Underwriters shall be several and subject to certain conditions to closing, as specified in the Underwriting Agreement.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the ROC)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. Lakhs)
Enam Securities Limited 801/ 802, Dalamal Tower Nariman Point Mumbai 400 021	[●]	[●]
JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point, Mumbai 400 021	[●]	[●]
Kotak Mahindra Capital Company Limited First floor, Bakhtawar 229, Nariman Point, Mumbai 400 021	[●]	[●]
Edelweiss Capital Limited 14th Floor, Express Towers Nariman Point Mumbai 400 021	[●]	[●]
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate, Mumbai 400 020	[●]	[●]

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. Lakhs)
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalized after the pricing and actual allocation of the Equity Shares.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors of the Company, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the BRLMs, the CBRLMs and Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the ROC after the Prospectus is filed with the ROC; (i) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Draft Red Herring Prospectus is set forth below:

(*In Rs., except share data*)

		Aggregate Value at Face value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	500,00,00,000 Equity Shares of Rs. 10 each	5,000,00,00,000	
B)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**		
	82,62,43,700 Equity Shares of Rs. 10 each	826,24,37,000	
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares of face value of Rs. 10 each	**[●]**	[●]
D)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of Rs. 10 each fully paid up shares	[●]	[●]
F)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	Nil	
	After the Issue		[●]

Changes in Authorised Share Capital

1. The initial authorised share capital of Rs. 1,00,00,000 divided into 10,00,000 Equity Shares was increased to Rs. 5,00,00,000 divided into 50,00,000 Equity Shares pursuant to the resolution of the shareholders dated August 10, 2007.

2. The authorised share capital of the Company was further increased from Rs. 5,00,00,000 divided into 50,00,000 Equity Shares to Rs. 3,000,00,00,000 divided into 300,00,00,000 Equity Shares through a resolution passed by the members of the Company at the EGM held on October 11, 2007.

3. The authorised share capital of the Company was further increased from Rs. 30,00,00,00,000 divided into 300,00,00,000 Equity Shares to Rs. 5,000,00,00,000 divided into 500,00,00,000 Equity Shares through a resolution passed by the members of the Company at the EGM held on February 5, 2008.

Notes to Capital Structure

1. **Share Capital History**

(a) The following is the history of the equity share capital and securities premium account of the Company:

Date of allotment of the Equity Shares	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Cumulative no. of Equity Shares	Cumulative Paid-up Equity share capital (Rs.)	Cumulative Share Premium (Rs.)
August 9, 1996	700	10	10	Cash	700	7,000	Nil
November 16, 1996	58,000	10	10	Cash	58,700	5,87,000	Nil
December 5, 1996	10,000	10	10	Cash	68,700	6,87,000	Nil
June 25, 1997	1,83,000	10	10	Cash	2,51,700	25,17,000	Nil
September 23, 1997	72,000	10	10	Cash	3,23,700	32,37,000	Nil
September 25, 1997	22,000	10	10	Cash	3,45,700	34,57,000	Nil
February 26, 2002	(52,000)[1]	10	-	-	2,93,700	29,37,000	Nil
October 11, 2007	47,06,300	10	10	Cash	50,00,000	5,00,00,000	Nil
November 28, 2007	22,20,43,700	10	10	Cash	22,70,43,700	227,04,37,000	Nil
January 28, 2008	3,68,00,000	10	10	Cash	26,38,43,700	263,84,37,000	Nil
March 28, 2008	10,00,00,000	10	10	Cash	36,38,43,700	363,84,37,000	Nil
July 23, 2008	50,00,000	10	10	Cash	36,88,43,700	368,84,37,000	Nil
January 30, 2010	16,24,00,000	10	10	Cash	53,12,43,700	531,24,37,000	Nil
March 4, 2010	4,50,00,000	10	10	Cash	57,62,43,700	576,24,37,000	Nil
May 29, 2010	10,00,00,000	10	10	Cash	67,62,43,700	676,24,37,000	Nil
August 6, 2010	15,00,00,000	10	10	Cash	82,62,43,700	826,24,37,000	Nil

[1] *Buy back of 50,000 Equity Shares from M.J. Raman and 2,000 Equity Shares from K. Sivaprakasam, respectively.*

2. **History of the Equity Share Capital held by the Promoters**

(a) ***Details of the build up of the Promoter's shareholding in the Company**:*

Date of Allotment / Transfer	No. of Equity Shares Issued/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Total Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Future Capital Investment Private Limited						
January 28,	18,00,000	18,00,000	10	1,80,00,000	Cash	Allotment

Date of Allotment / Transfer	No. of Equity Shares Issued/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Total Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
2008						
May 29, 2010	10,00,00,000	10,18,00,000	10	100,00,00,000	Cash	Allotment
Future Corporate Resources Limited						
January 30, 2010	1,94,00,000	1,94,00,000	10	19,40,00,000	Cash	Allotment
March 4, 2010	4,50,00,000	6,44,00,000	10	45,00,00,000	Cash	Allotment
March 11, 2010	36,45,000	6,80,45,000	10	3,64,50,000	Cash	Purchase
Future Knowledge Services Limited						
August 6, 2010	2,77,93,700	2,77,93,700	10	28,08,00,000	Cash	Purchase
Pantaloon Industries Limited						
January 30, 2010	12,20,00,000	12,20,00,000	10	122,00,00,000	Cash	Allotment
Pantaloon Retail (India) Limited						
August 6, 2010	15,00,00,000	15,00,00,000	10	1,50,00,00,000	Cash	Allotment
Kishore Biyani						
N.A.	Nil	Nil	N.A.	N.A.	N.A.	N.A.

(b) *Details of Promoters' contribution and Lock-in*:

The Promoters shall contribute Equity Shares in the Issue constituting not less than 20% of the post-Issue capital, which shall be locked in for a period of three years from the date of Allotment in the Issue. The Equity Shares constituting Promoters' contribution shall be eligible therefor in terms of the SEBI Regulations.

As of the date of this Draft Red Herring Prospectus, the Promoters hold 46,96,38,700 Equity Shares which constitutes 57% of the pre-Issue paid-up equity share capital of the Company. Out of the aggregate shareholding of the Promoters of 46,96,38,700 Equity Shares, the Promoters have acquired 46,78,38,700 Equity Shares during the preceding one year at a price which may be lower than the Issue Price. Of 46,78,38,700 Equity Shares, 43,64,00,000 Equity Shares are available to be contributed towards minimum Promoters' contribution. The Promoters shall provide the difference between the acquisition price of Equity Shares to be contributed towards minimum Promoters' contribution which have been acquired at price less than the Issue Price during the preceding one year and the Cap Price for an amount aggregating Rs. [●] Lakhs. The said amount will be kept in an escrow account and will be utilised in accordance with the SEBI Regulations if the conditions specified in Regulation 33(1)(b) of the SEBI Regulations are not complied with. The Company undertakes that the Equity Shares constituting minimum Promoters' contribution in the Issue, which shall be locked-in for three years, shall be eligible for minimum Promoters' contribution in terms of the SEBI Regulations.

The details of the Equity Shares, which shall be locked-in for a period of three years from the date of Allotment are set forth in the table below:

Name of the Promoter	Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Nature of Consideration (Cash)	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up capital
Future	[●]	[●]	[●]	[●]	10	[●]	**[●]**

Name of the Promoter	Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Nature of Consideration (Cash)	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up capital
Capital Investment Private Limited	[●]	[●]	[●]	[●]	10	[●]	**[●]**
Future Corporate Resources Limited	[●]	[●]	[●]	[●]	10	[●]	**[●]**
	[●]	[●]	[●]	[●]	10	[●]	[●]
Pantaloon Industries Limited	[●]	[●]	[●]	[●]	10	[●]	[●]
Pantaloon Retail (India) Limited	[●]	[●]	[●]	[●]	10	[●]	[●]
Total				[●]			**20%**

The minimum Promoters contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations. The Promoters contribution constituting not less than 20% post-Issue paid-up equity share capital shall be locked-in for a period of three years from the date of Allotment in the Issue.

(c) *Details of pre-Issue Equity Share capital locked in for one year*:

In addition to the 20% of the post-Issue equity shareholding of the Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue equity share capital will be locked-in for a period of one year from the date of Allotment.

(d) *Other requirements in respect of lock-in*:

The Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of the Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations as applicable.

The Equity Shares held by person other than the Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution, provided that the pledge of Equity Shares can be created when the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

(e) *Lock-in of Equity Shares to be issued, if any, to the Anchor Investor*

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

3. **The shareholding pattern of the Company**

The table below presents the shareholding pattern of the Company as on the date of filing this Draft Red Herring Prospectus:

	Pre-Issue		**Post-Issue***	
	Number of Equity Shares	**Percentage of Equity Share capital**	**Number of Equity Shares**	**Percentage of Equity Share capital**
Promoters				
Future Capital Investment Private Limited	10,18,00,000	12.32	10,18,00,000	[●]
Future Corporate Resources Limited	6,80,45,000	8.24	6,80,45,000	[●]
Future Knowledge Services Limited	2,77,93,700	3.36	2,77,93,700	[●]
Pantaloon Industries Limited	12,20,00,000	14.77	12,20,00,000	[●]
Pantaloon Retail (India) Limited	15,00,00,000	18.15	15,00,00,000	[●]
Sub Total (A)	**46,96,38,700**	**56.84**	**46,96,38,700**	[●]
Promoter Group				
Manz Retail Private Limited	2,10,00,000	2.54	2,10,00,000	[●]
Sub Total (B)	**2,10,00,000**	**2.54**	**2,10,00,000**	[●]
Public Shareholding	**33,56,05,000**	**40.62**	**33,56,05,000**	
Public (pursuant to the Issue)	-	-	[●]	[●]
Total share capital (A+B+C)	**82,62,43,700**	**100**	**[●]**	**100**

** Assuming none of the existing shareholders participate in the Issue.*

4. **Equity Shares held by top 10 shareholders**

(a) *As of the date of the Draft Red Herring Prospectus:*

Sr. No.	Name	No. of Equity Shares held	Percentage
1.	Pantaloon Retail (India) Limited	15,00,00,000	18.15
2.	Pantaloon Industries Limited	12,20,00,000	14.76
3.	Future Capital Investment Private Limited	10,18,00,000	12.32
4.	Bennett Coleman and Company Limited	10,00,00,000	12.10
5.	Future Corporate Resources Limited	6,80,45,000	8.23
6.	Future Knowledge Services Limited	2,77,93,700	3.36
7.	Mixon Holdings Private Limited	2,50,00,000	3.02
8.	Manz Retail Private Limited	2,10,00,000	2.54
9.	Gujarat Fluorochemicals Limited	1,50,00,000	1.81
10.	Utpal Hemendra Sheth	1,50,00,000	1.81

(b) *As of 10 days prior to the date of this Draft Red Herring Prospectus:*

Sr. No.	Name	No. of Equity Shares held	Percentage
1.	Pantaloon Industries Limited	12,20,00,000	18.04
2.	Future Capital Investment Private Limited	10,18,00,000	15.05
3.	Bennett Coleman and Company Limited	10,00,00,000	14.79
4.	Future Corporate Resources Limited	6,80,45,000	10.06
5.	Future Value Retail Limited	2,77,93,700	4.11
6.	Mixon Holdings Private Limited	2,50,00,000	3.69
7.	Manz Retail Private Limited	2,10,00,000	3.10
8.	Gujarat Fluorochemicals Limited	1,50,00,000	2.21
9.	Utpal Hemendra Sheth	1,50,00,000	2.21
10.	Investrick Securities India Private Limited	1,00,00,000	1.47

(c) *As of two years prior to the date of the Draft Red Herring Prospectus:*

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Bennett Coleman and Company Limited	10,00,00,000	27.11
2.	Pantaloon Future Ventures Limited	2,77,93,700	7.54
3.	AGB Holdings Private Limited	2,50,00,000	6.78
4.	Sarika Poddar	1,70,00,000	4.61
5.	Gujarat Fluorochemicals Limited	1,50,00,000	4.07
6.	Utpal Sheth	1,50,00,000	4.07
7.	Hira Thakurdas Jhamtani	1,22,50,000	3.32
8.	Nilesh Swaroop Lodha and Mukesh Chetram Agarwal	1,05,00,000	2.85
9.	Investrick Securities India Private Limited	1,00,00,000	2.71
10.	Jugal K. Maheshwari, Indra Kumar Bagri and Ashika Sarees Limited	90,00,000	2.44

5. The Company, the Directors, the BRLMs and the CBRLMs have not entered into any buy-back arrangements and/or safety net facility for the purchase of Equity Shares from any person.

6. None of the Directors or key managerial personnel holds any Equity Shares in the Company. None of the directors of the Promoters hold any Equity Shares in the Company.

7. Except as stated below, the Promoters, Directors and their immediate relatives, directors of the Promoters and the Promoter Group entities have not undertaken any transaction of Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI:

Sr. No.	Name of the Director/ Promoter/ Promoter Group	Date of the Transaction	No. of Equity Shares	Aggregate Transaction Price (Rs.)	Nature of Transaction
1.	Future Corporate Resources Limited	March 11, 2010	36,45,000	3,64,50,000	Purchase
2.	Future Value Retail Limited	August 6, 2010	2,77,93,700	28,08,00,000	Sale
3.	Future Knowledge Services Limited	August 6, 2010	2,77,93,700	28,08,00,000	Purchase

8. Except as stated below, the Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue price:

Date	Name of the Allottee	Category	No. of Equity Shares	Face Value	Issue Price per Equity Shares (Rs.)	Reasons
January 30, 2010	Future Corporate Resources Limited	Promoter	1,94,00,000	10	10	Allotment
January 30, 2010	Pantaloon Industries Limited	Promoter	12,20,00,000	10	10	Allotment
January 30, 2010	Manz Retail Private Limited	Promoter Group	2,10,00,000	10	10	Allotment
March 4, 2010	Future Corporate Resources Limited	Promoter	4,50,00,000	10	10	Allotment
May 29, 2010	Future Capital Investment Private Limited	Promoter	10,00,00,000	10	10	Allotment
August 6, 2010	Pantaloon Retail (India) Limited	Promoter	15,00,00,000	10	10	Allotment

9. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

10. None of the Equity Shares held by the Promoters are pledged.

11. The Company has not raised any bridge loan against the proceeds of the Issue. For details on use of proceeds, please see the section entitled "Objects of the Issue" on page 37.

12. The Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the QIB Portion, the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill-over from other category or a combination of categories, at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

13. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

14. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearest multiple of minimum Allotment lot.

15. There are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into the Equity Shares.

16. The Company does not propose to undertake any further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from

submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued pursuant to the Issue have been listed.

17. The Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or issue of Equity Shares (including any issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares) on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement otherwise, However, if the Company enters into acquisitions, joint ventures or other arrangements, the Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

18. There will be only one denomination of the Equity Shares of the Company unless otherwise permitted by law and the Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

19. The Company has 569 members as of the date of this Draft Red Herring Prospectus.

20. None of the Promoters, Promoter Group and Group Companies will participate in the Issue.

21. The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash. The Company has not issued any Equity Shares in terms of any scheme approved under Sections 391-394 of the Companies Act.

22. Equity Shares being issued in this Issue will be fully paid up at the time of Allotment failing which no allotment shall be made.

23. The Company has not entered into any financing arrangements whereby the Promoter Group, the directors of the Promoters, and Directors and their immediate relatives have financed the purchase by any other person of the Equity Shares of the Company other than in the normal course of business of financing the entity, during the period of six months preceding the date of filing of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are the following:

(a) To create, build, invest in or acquire, and operate Business Ventures;

(b) For general corporate purposes; and

(c) To meet the issue expenses and achieve the benefits of listing on the Stock Exchanges.

The details of the proceeds of the Issue are summarized in the table below:

Particulars	In Rs. Lakhs
Proceeds from the Issue	75,000
Issue Related Expenses(1)	[●]
Net Proceeds(1)	[●]
TOTAL	**[●]**

(1)*To be finalised upon determination of the Issue Price.*

The intended use of the proceeds of the Issue is summarized in the table below.

Requirement of Funds	In Rs. Lakhs
To create, build, invest in or acquire, and operate Business Ventures(1)	[●]
General corporate purposes*	[●]
TOTAL	**[●]**

(1)*To be finalised upon determination of the Issue Price.*

The main objects clause and the objects incidental or ancillary to the main objects clause of the Company's Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised in the Issue.

The fund requirement detailed above has not been appraised by any bank, financial institution or other independent agency and is based on management estimates. The intended use of proceeds as described above is based on the current plans as envisaged by the management of the Company. In view of the dynamic and competitive environment of the industry in which the Company operates and depending on the availability of suitable investment opportunities, costs and market conditions, the above plans may be revised at the discretion of management.

Details of the Use of Proceeds

Create, build, invest in or acquire, and operate Business Ventures

In accordance with the business objectives and strategy of the Company as described in this Draft Red Herring Prospectus, the Company seeks to create, build, invest in or acquire, and operate innovative and emerging businesses in India's rapidly growing "consumption-led" sectors, which it defines 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. In addition to allocating and providing capital, the Company intends to create, operationally manage and/or strategically mentor these businesses, which it refers to as its "Business Ventures". The Company intends to exercise operational control or influence in the business ventures that it promotes or in which it acquire interests. The Company seeks to pursue opportunities at various stages of the enterprise growth cycle, from nascent to more mature businesses, with a view towards medium- to long-term value creation for its shareholders. Further, the Company may utilise the Net Proceeds for undertaking follow-on investments in the existing Business Ventures and other short-term business opportunities wherever appropriate. We propose to undertake investments through various mechanisms including investing in equity, equity-linked instruments and/ or debt.

The management expects to deploy the Net Proceeds into short term opportunities immediately upon completion of the Issue and would gradually deploy proceeds into Business Ventures.

The cost of the Company's participation in Business Ventures and other assets would also include costs for advisors, consultants, auditors, legal counsel, brokerage, custody and other costs attributable to such opportunities.

Please also refer to the sections entitled 'Business – Overview', 'Business – Strategy' and 'Business – Business Sourcing Process' on page 68, 72 and 74, respectively, for more details.

Estimated Issue Expenses

The expenses of the Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows [(1)]:

Expenses	Expense break-up		
	In Rs. Lakhs	% of total Issue expenses[(1)]	% of total Issue size
Lead management fees, brokerage and underwriting commissions	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (Registrar's fee, Monitoring Agency's fees, IPO grading agency fees, legal fee, listing fee, insurance, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	**[●]**	**100**	**[●]**

[(1)] *Will be incorporated after finalization of the Issue Price*

Utilisation of Issue Proceeds

The Company undertakes to utilise the Net Proceeds within three years from the date of Allotment of Equity Shares in the Issue. In the event any part of the Net Proceeds is not utilised towards the Objects of the Issue within three years from the date of Allotment of Equity Shares in the Issue, the Company shall distribute the unutilised portion of the Net Proceeds to the shareholders of the Company as on the record date specified for the same, subject to compliance with the Companies Act and other applicable provisions of law. The methodology of distribution of the unutilised portion to the shareholders shall be in conformity with applicable laws and regulations and may be in an appropriate manner, such as buyback of equity shares, reduction or restructuring of capital, special dividend or a combination thereof. The Board of Directors shall finalise the mode of repayment prior to the expiry of the said period of three years. The details of modalities of repayment, the record date for the purpose and other details shall be provided to the shareholders through public announcement and informing the stock exchanges on which the Equity Shares are listed at that time.

Monitoring of utilization of funds

The Company has appointed [●] as the Monitoring Agency for the Issue, in terms of the SEBI Regulations. The Monitoring Agency along with the Board will monitor the utilisation of the proceeds of the Issue.

The Board shall monitor the utilization of the Net Proceeds of the Issue. The Company will disclose the details of the utilization of the Net Proceeds, including interim use, under a separate head in the financial statements of the Company specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of the listing agreements with the Stock Exchanges, and in particular clauses 43A and 49 of the listing agreement.

In compliance with the SEBI Regulations, until the proceeds of the Issue have been entirely utilized, the monitoring agency shall file a monitoring report with the Company on a half yearly basis, which report together with the management's comments thereon shall be placed by the Company before the Audit Committee. The Company shall disclose to the Audit Committee, the uses and application of funds under the heads as specified above, on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated above, if any, and place it before the Audit Committee. Such disclosure shall be made only until such time that the full money raised through the Issue has not been fully spent. This statement shall be certified by the statutory auditors of the Company. The Audit Committee shall make appropriate recommendations to the Board to take up steps in this matter.

Appraisal Report

None of the activities for which the Net Proceeds will be utilised have been financially appraised and the estimates mentioned above are based on internal estimates of the Company.

Working Capital Requirement

The Net Proceeds will not be used to meet the working capital requirements of the Company as its expects to have internal accruals and/or incur debt and/or draw down from lines of credit to meet its existing working capital requirements.

Shortfall in Issue Proceeds

In the event of any shortfall, the quantum of funds to be deployed in Business Ventures by the Company would be reduced accordingly.

Interim Use of Proceeds

The management of the Company, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we intend to temporarily invest the funds in quality interest bearing liquid instruments including deposits with banks and other debt securities. Such investments would be in accordance with the business and investment policies approved by the Board of Directors or the Executive Committee from time to time.

Except as disclosed in the Draft Red Herring Prospectus, including with respect to the payment of service fee to the Consultant, which is also one of our Promoters, no part of the Net Proceeds is intended to be paid by the Company as consideration to the Promoters, the Directors, the Company's key managerial personnel or companies promoted by the Promoters except in the ordinary course of business.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] will be determined by the Company, in consultation with the BRLMs, on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the prices are:

- Synergy with the Future Group
- Uniquely positioned to access opportunities in consumption-led sectors
- Access to diverse growth businesses through long-term and liquid investment opportunities
- Brand equity of certain of our Business Ventures
- Experienced management team

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see the sections entitled "Risk Factors" and "Business - Strengths" on pages xi and 69, respectively.

Quantitative Factors

1. ***Basic and Diluted Earnings per share (EPS)- Standalone***

Period	Basic EPS (Rs.)	Diluted EPS (Rs.)	Weight
Fiscal 2010	0.42	0.42	3
Fiscal 2009	(0.28)	(0.28)	2
Fiscal 2008	(0.50)	(0.50)	1
Weighted Average	0.03	0.03	

2. ***Basic and Diluted Earnings per share (EPS)- Consolidated***

Period	Basic EPS (Rs.)	Diluted EPS (Rs.)	Weight
Fiscal 2010	(0.27)	(0.27)	3
Fiscal 2009	(1.46)	(1.46)	2
Fiscal 2008	(0.98)	(0.98)	1
Weighted Average	(0.79)	(0.79)	

Note:

(i) Basic/ Diluted Earnings per Share (Rs.) = Net Profit after Tax as restated divided by the weighted average number of Equity Shares outstanding during the year.

(ii) EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Central Government of India under Companies (Accounting Standards) Rules, 2006.

(iii) The face value of each Equity Share is Rs. 10.

3. ***Price Earnings Ratio (P/E) in relation to the Issue price of Rs. [●] per share***

Sr. No.	Particulars	Standalone	Consolidated
1.	P/E ratio based on basic EPS for the Fiscal 2010 at the Floor Price:	[●]	[●]
2.	P/E ratio based on diluted EPS for the Fiscal 2010 at the Floor Price:	[●]	[●]
3.	P/E ratio based on Weighted average EPS for the Fiscal 2010 at the Floor Price:	[●]	[●]
4.	P/E ratio based on basic EPS for the Fiscal 2010 at the Cap Price:	[●]	[●]
5.	P/E ratio based on diluted EPS for the Fiscal 2010 at the Cap Price:	[●]	[●]
6.	P/E ratio based on Weighted average EPS for the Fiscal 2010 at the Cap Price:	[●]	[●]
7.	Industry P/E	N.A.[#]	N.A.[#]

[#] *There are no listed companies with similar business in India*

4. ***Return on Networth (RoNW) - Standalone***

Period	RoNW (%)	Weight
Fiscal 2010	2.90	3
Fiscal 2009	(2.86)	2
Fiscal 2008	(1.20)	1
Weighted Average	0.30	

5. ***Return on Networth (RoNW) - Consolidated***

Period	RoNW (%)	Weight
Fiscal 2010	(2.11)	3
Fiscal 2009	(17.43)	2
Fiscal 2008	(2.39)	1
Weighted Average	(7.26)	

6. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue Basic EPS for the year ended March 31, 2010:

a. At the Floor Price on basic EPS - [●]% and [●]% based on standalone and consolidated financial statements respectively.

b. At the Cap Price on basic EPS - [●]% and [●]% based on standalone and consolidated financial statements respectively.

c. At the Floor Price on diluted EPS - [●]% and [●]% based on standalone and consolidated financial statements respectively.

d. At the Cap Price on diluted EPS - [●]% and [●]% based on standalone and consolidated financial statements respectively

7. ***Net Asset Value***

NAV (Consolidated) as at March 31, 2010 : Rs. 8.75 per Equity Share
NAV (Standalone) as at March 31, 2010 : Rs. 10.04 per Equity Share

Issue price	: Rs. [●] per Equity Share
NAV (Consolidated) after the Issue	: Rs. [●] per Equity Share
NAV (Standalone) after the Issue	: Rs. [●] per Equity Share

8. ***Comparison with other listed companies***

There are no listed companies with similar business in India, hence this comparison is not possible

The Issue Price of Rs. [●] has been determined by the Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and is justified based in view of the qualitative and quantitative parameters. For further details, please see the section entitled "Risk Factors" on page xi and the financials of the Company including important profitability and return ratios, as set out in the section entitled "Financial Statements" on page 155.

STATEMENT OF TAX BENEFITS

July 28, 2010

Future Ventures India Limited
"Knowledge House"
Jogeshwari-Vikhroli Link Road,
Jogeshwari(East),
Mumbai 400 060.

Dear Sirs,

Initial Public Offer of Equity Shares
Draft Red Herring Prospectus

Tax benefits

We refer to the proposed Initial Public Offer of the shares of Future Ventures India Limited, ("the company"). We enclose herewith the statement showing the current position of tax benefits available to the company and to its shareholders as per the provisions of the Income-tax Act, 1961 and the Wealth-tax Act, 1957 for inclusion in the Draft Red Herring Prospectus for the proposed initial public offer of shares.

The current position of tax benefits available to the company and to its shareholders is provided for general information purposes only. In view of the individual nature of tax benefits, each investor is advised to consult its own tax consultant with respect to the specific tax implications arising out of its participation in the issue.

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 ("the Act"). The income tax rates referred here are the tax rates prescribed by the Finance Act 2010 for the Financial Year 2010-11. All the provisions set out below are subject to conditions specified in the respective sections. The tax benefits mentioned below are restricted to the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force and no discussion is made from the perspective of Direct Tax Code which is proposed to be implemented from 01.04.2011.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its share holders in the Draft Red Herring Prospectus for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Future Ventures India Limited and shall not, without our prior written consent, be disclosed to any other person

Yours faithfully,

Deloitte Haskins & Sells

STATEMENT OF TAX BENEFITS AVAILABLE TO FUTURE VENTURES INDIA LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 ("the Act"). The income tax rates referred here are the tax rates prescribed by the Finance Act 2010 for the Financial Year 2010-11. All the provisions set out below are subject to conditions specified in the respective sections. The tax benefits mentioned below are restricted to the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force and no discussion is made from the perspective of Direct Tax Code which is proposed to be implemented from April 1, 2011.

Special Tax Benefits to the Company

NIL

General Tax Benefits to the Company

These benefits are available to all companies after fulfilling certain conditions as required in the respective Act.

I.

1. In accordance with section 10(34), dividend income (referred to in section 115-O) received by the company will be exempt from tax.

2. Income received in respect of the units of mutual fund specified under section 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10(35) of the Act.

3. In accordance with section 32 of the Act, the company is entitled to claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature) owned by it and used for the purpose of its business.

   In case of any new plant and machinery (other than ships and aircraft) that is acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

   The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward for set-off with the income of future years.

4. In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

5. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal instalments for each of the succeeding previous years subject to conditions specified in that section.

6. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income under Section 71 and the excess loss, if any can be carried forward and set-off against future business income of the next eight assessment years under section 72 of the Act.

7. The amount of tax paid under section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the assessment year in which Minimum Alternative Tax credit becomes allowable in accordance with the provisions of section 115JAA of the Act.

8. If the company invests in the equity shares of another company, as per the provisions of section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax. However such income shall be taken into account in computing the Minimum Alternative Tax on book profit payable under section 115JB of the Act.

9. As per the provision of section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be carried forward and set-off against both short term and long term capital gain of the next eight assessment years. But long term capital loss cannot be set-off against short term capital gain. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off against the long term capital gains in subsequent years.

10. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and 'education cess and secondary & higher education cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

11. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not subject to securities transaction tax, held as long term capital assets will be the lower of:

    (a) 20 per cent (plus applicable surcharge and 'education cess and secondary & higher education cess') of the capital gains as computed after indexation of the cost. or

    (b) 10 per cent (plus applicable surcharge and 'education cess and secondary & higher education cess') of the capital gains as computed without indexation.

II. Section 115-O

Tax on distributed profits of domestic companies

The tax rate is 15% (plus applicable surcharge and 'education cess and secondary & higher education cess')

Per sub-section (1A) to section 115O, the domestic company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the Dividend Distribution Tax (DDT) if:

- the dividend is received from its subsidiary;
- the subsidiary has paid the DDT on the dividend distributed;
- the domestic company is not a subsidiary of any other company.

Provided that the same amount of dividend shall not be taken into account for reduction more than once.

For the purpose of this sub-section, a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

III. Tax Rates

The tax rate is 30%.

The surcharge at the rate of 7.5% is applicable, only if the total income exceeds Rs.1 Crore.

Education cess and secondary & higher education cess is 3%.

Special Tax Benefits to the Shareholders of the Company

NIL

General Tax Benefits to the Shareholders of the Company

These benefits are available to the shareholders of any company after fulfilling certain conditions as required in the respective Act.

(I) Under the Income-tax Act

Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs. 1,500 per minor child.

3. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax including equity shares Offered for Sale under this issue which is subject to securities transaction tax at the time of sale. However in case of a corporate shareholder, such income shall be taken into account in computing the Minimum Alternate Tax on book profit, payable under section 115JB of the Act.

4. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed Rs.50 lakhs during any financial year.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

5. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the

company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available, if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

- purchases another residential house, other than the new residential house, within a period of one year after the date of transfer of the shares; or

- constructs another residential house, other than the new residential house, within a period of three years after the date of transfer of the shares;

and

- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per the provision of section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be carried forward and set-off against both short term and long term capital gain of the next eight assessment years. But long term capital loss cannot be set-off against short term capital gain. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off against the long term capital gains in subsequent years.

7. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and 'education cess and secondary & higher education cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

8. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not subject to securities transaction tax, held as long term capital assets will be the lower of:

   (a) 20 per cent (plus 'education cess and secondary & higher education cess') of the capital gains as computed after indexation of the cost. or

   (b) 10 per cent (plus 'education cess and secondary & higher education cess') of the capital gains as computed without indexation.

Tax Rates for the Financial Year 2010-11:

1. Individuals, HUFs, BOI and Association of Persons:

(i) The income tax exemption limit for the financial year 2010-11 is Rs.1,60, 000/-

(ii) Women residents of India and below the age of 65 years:

The income tax exemption limit for the financial year 2010-11 isRs.1,90,000.

Education cess and secondary & higher education cess will be levied at the rate of 3 % of Income tax

2. Senior Citizens

Individual residents of India and above the age of 65 years:

The income tax exemption limit for the financial year 2010-11 is Rs.2,40,000/-

Education cess and secondary & higher education cess will be levied at the rate of 3 % of Income tax

B) 1. Non-Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.

2. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax.

3. In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company acquired in foreign currency, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.

4. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed Rs.50 lakhs during any financial year.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the specified asset is transferred.

5. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

- purchases another residential house, other than the new residential house, within a period of one year after the date of transfer of the shares; or

- constructs another residential house, other than the new residential house, within a period of three years after the date of transfer of the shares;

and

- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per the provision of section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be carried forward and set-off against both short term and long term capital gain of the next eight assessment years. But long term capital loss cannot be set-off against short term capital gain. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off against the long term capital gains in subsequent years.

7. As per the provisions of section 90, the Non Resident shareholder has an option to be governed by the provisions of the Tax Treaty, if they are more beneficial than the domestic law, wherever India has entered into Double Taxation Avoidance Agreement with the relevant country for avoidance of double taxation of income.

8. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and 'education cess and secondary & higher education cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

9. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not subject to securities transaction tax, held as long term capital assets

will be at the rate of 20% (plus applicable surcharge and education cess) with the benefit of indexation and at the rate of 10 % (plus applicable surcharge and education cess) without the benefit of indexation.

A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

However, a view is possible based on the proviso to section 112 and recent rulings that in case of listed securities or units, such gains could be taxed at 10% (plus applicable surcharge and 'education cess and secondary & higher education cess') without the benefit of indexation.

B) 2. Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, which reads as under:

1. In accordance with section 115D r.w.s 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus 'education cess and secondary & higher education cess'). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C(f) of the Act), shall be chargeable at 10% (plus 'education cess and secondary & higher education cess') .

   However, in accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax.

2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset. If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new asset bears to the net consideration shall be exempt

3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.

4. Under section 115H of the Act, where a Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income under section 139 for that assessment year to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that assessment year and for every subsequent assessment year until the transfer or conversion into money of such assets.

5. In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax

Act.

6. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.

7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed Rs.50 lakhs during any financial year.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

8. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-

   - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

   - purchases another residential house, other than the new residential house, within a period of one year after the date of transfer of the shares; or

   - constructs another residential house, other than the new residential house, within a period of three years after the date of transfer of the shares;

   and

   - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

   If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

9. As per the provision of section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be carried forward and set-off against both short term and long term

capital gain of the next eight assessment years. But long term capital loss cannot be set-off against short term capital gain. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off against the long term capital gains in subsequent years.

10. As per the provisions of section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

11. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus 'education cess and secondary & higher education cess) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

C) Foreign Institutional Investors (FIIs)

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).

2. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax.

3. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains, if securities transaction tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and 'education cess and secondary & higher education cess') on short-term capital gains arising on the sale of the shares of the company which is subject to securities transaction tax.

4. Under section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.

5. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed Rs.50 lakhs during any financial year.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

6. As per the provision of section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be carried forward and set-off against both short term and long term capital gain of the next

eight assessment years. But long term capital loss cannot be set-off against short term capital gain. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off against the long term capital gains in subsequent years.

7. As per the provisions of section 90, the FII has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

D) Persons carrying on business or profession in shares and securities.

Income arising from carrying on business or profession in shares and securities would be taxable as Income from business or profession. The securities transaction tax paid in respect of securities transaction entered during the course of business will be available as deduction under section 36(1)(xv) while computing the taxable business income.

E) Mutual Funds

In accordance with section 10(23D), any income of:

(i) a Mutual Fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;

(ii) such other Mutual Fund set up by a public sector bank or a public financial institution or authorised by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf,

- will be exempt from income-tax.

F) Venture Capital Companies / Funds

In accordance with section 10(23FB) any income of a venture capital company or venture capital fund (registered under the Securities and Exchange Board of India Act, 1992 and regulations made thereunder and notified in this behalf) from investment in a venture capital undertaking will be exempt from income tax.

(II) Under the Wealth Tax

‘Asset’ as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.

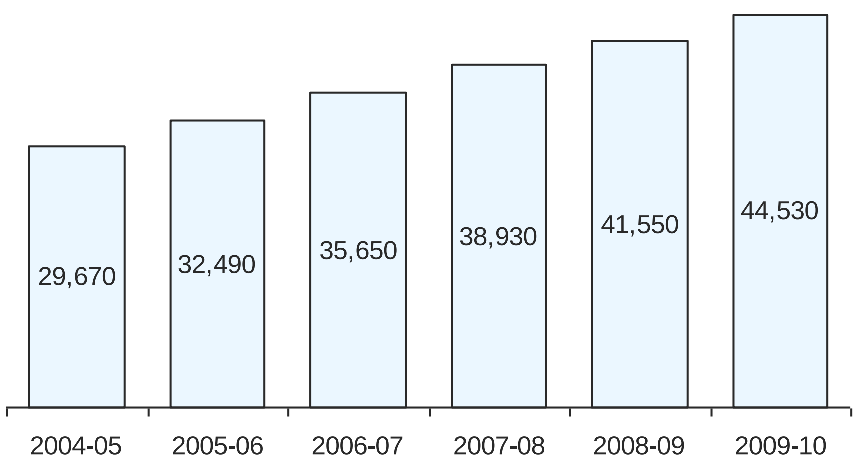
SECTION IV: ABOUT THE COMPANY

INDUSTRY

Growth in Indian Economy

India has witnessed a sustained average growth of 6 % in GDP since 1991. Despite the global economic recession in 2008, in 2009-10 the Indian GDP grew by 7.2%. The Indian economy has shown an expected resilience, with no failed financial institutions, no industry wide bankruptcies, no massive layoffs, no significant increase in consumer loan defaults, India's public sector has shown amazing resilience to withstand the turbulence in the environment. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009)*

India – Gross domestic product (INR '000 millions)



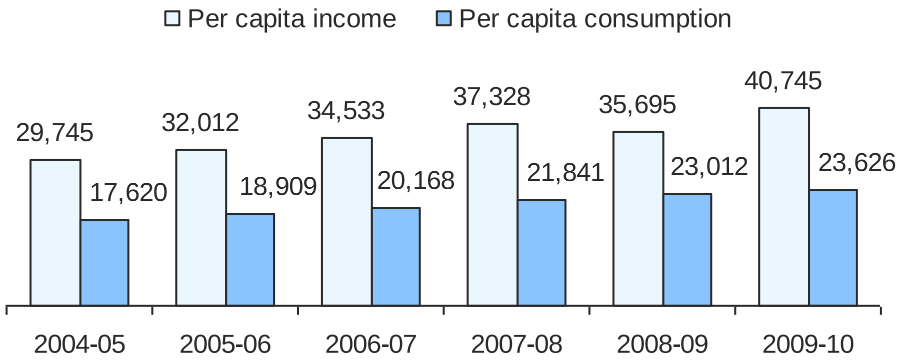
GDP at factor cost, 2004-2005 prices
(Source: Indian Economic Survey 2009)

The Indian economy was the 12th largest in the world in 2008 and is poised to become the 4th largest in by 2030. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009).*

The Indian consumption market

With increase in per capita income the per capita consumption in India has been steadily increasing as illustrated below:

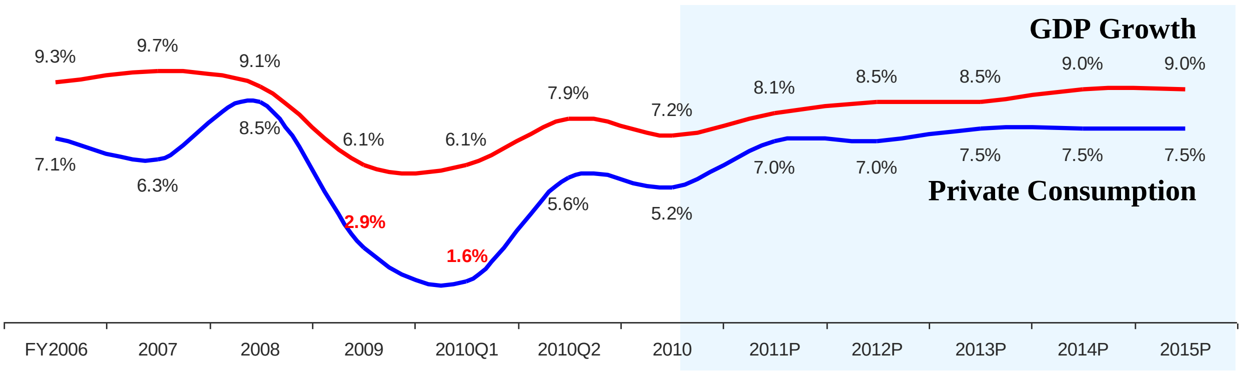
Per capita income and consumption: 2004-2005 prices (INR)



(Source: Indian Economic Survey 2009)

Consumption has played a bigger role in India's growth story than in other developing countries in Asia. At an earlier stage, India has entered a virtuous long term cycle in which rising incomes lead to increasing consumption, which, in turn, creates more business opportunities and employment, further fueling GDP and income growth. This is further highlighted by India's resilience to global economic recession which illustrates the importance of domestic consumption for sustainable growth in India. India'a GDP is poised for an average growth of 8-9% which will fuel private consumption.

The estimated growth in GDP and private consumption is given below:



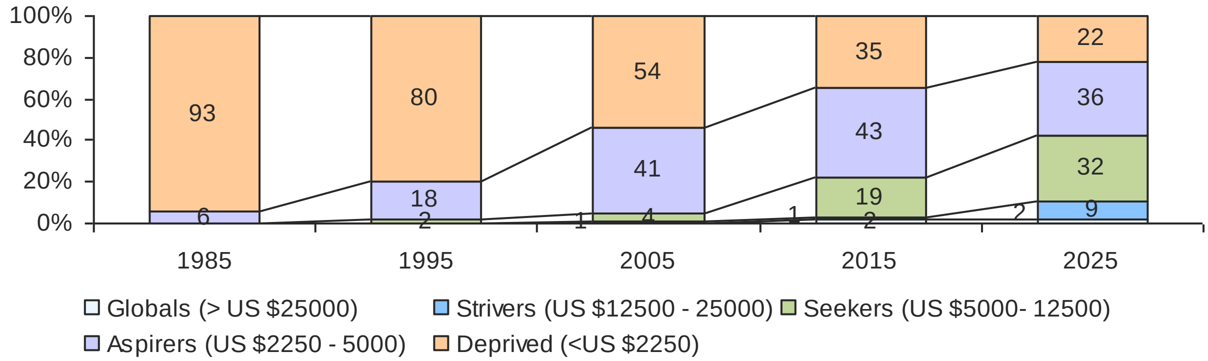
GDP is estimated to be US$ 1777 billion and consumption is set to double by 2015. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009)*

Key characteristics of the Indian consumer market:

Growing Aspiring Middle Class and High Income Segment: Rising incomes have lead to a higher proportion of aspiring middle class households. India is expected to experience tremendous consumption growth in its booming middle class and upper classes.

The expected change in income demorgraphics is given in the chart below:

Increasing Income Levels



- **Predominantly young consumers:** 72% of Indian population constitutes of people below 39 years, with 32% between 20-39 years having high consumption potential. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009).*

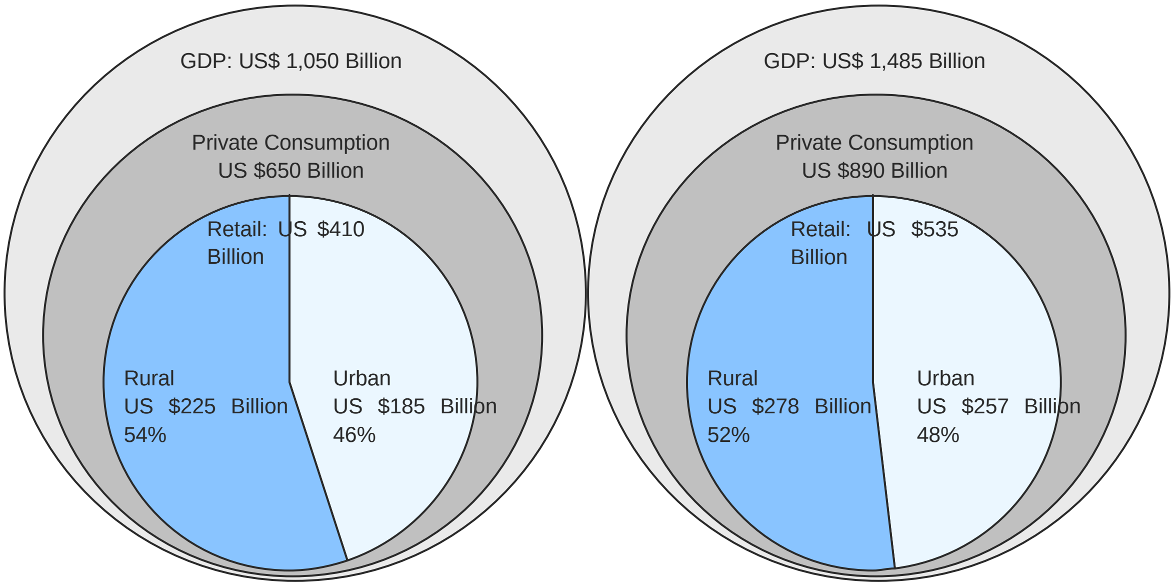
- **Reducing Dependency Ratio:** With greater diversity of employment opportunities across the country and greater mobility of work force, dependency ratio is reducing.

- **Rising Literacy Levels:** The literacy rate in India is expected to touch almost 90% by 2013 from present 70%; with **female** literacy touching 83% from present 69%. *(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009).*

- **Future consumption growth will be driven by both urban and rural markets.**

- **India has one of the largest consumer base in the world with approximately 500 million consumers over** 18 **years** of age (excluding Below Poverty Line families) across urban and rural India. Of this, urban India constitutes approximately 230 million consumers. By 2021, there maybe more than 125 cities having population in excess of 1 million and another 500 having population between 5,00,000 and 1 million which will offer significant opporunities in the consumption space. (source: Consumer Trends for 2010, and beyond, October 6, 2009, Technopak).

The expected growth in consumption in urban and rural markets is given in the chart below:



2008 **2013(P)**

(Source: Consumer Trends for 2010, and beyond, October 6, 2009, Technopak)

The growth in private consumption by USD 240 bn in 2013 will be lead by USD 125 bn in the retail sector. Urban market would account for 58% of the growth in the retail sector,

- **Indian consumers waking up to their aspirations beyond basic needs**

Against the above backdrop of positive changes in demographics and economic activity, consumers have the capacity to spend, wants to spend and now they have more options to spend. The consumption basket is expanding to include many more products on which discretionary income can be used. While in 1991, consumption was more on broader basic requirements, it is now focused on lifestyle and aspirational products. These categories on which consumers are spending more on are Education, Healthcare, Food services, home and mobiles and travel and tourism. (Source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

The key consumption categories and the projected growth are given in the table below:

Value in US$ Bn

CATEGORY	SIZE 2009	SIZE 2014
Food & Grocery	270	339
Healthcare	36	58
Apparel & Home Textiles	34	45
Housing	33	47
Education	30	47
Telecom	26	42
Jewelry & Watches	26	36
Personal Transport	25	39
Travel & Leisure	13	21
CDIT	12	18
Home -Furniture ,Furnishing	11	15

		Value in US$ Bn
CATEGORY	**SIZE 2009**	**SIZE 2014**
Personal Care	10	18
Eating Out	5	8
Footwear	4	6
Health & Beauty Services	1	2

(Source: Technopak Advisors, India Growth Story: Pyramid To Diamond – Rise of Consuming Class, March 26, 2009)

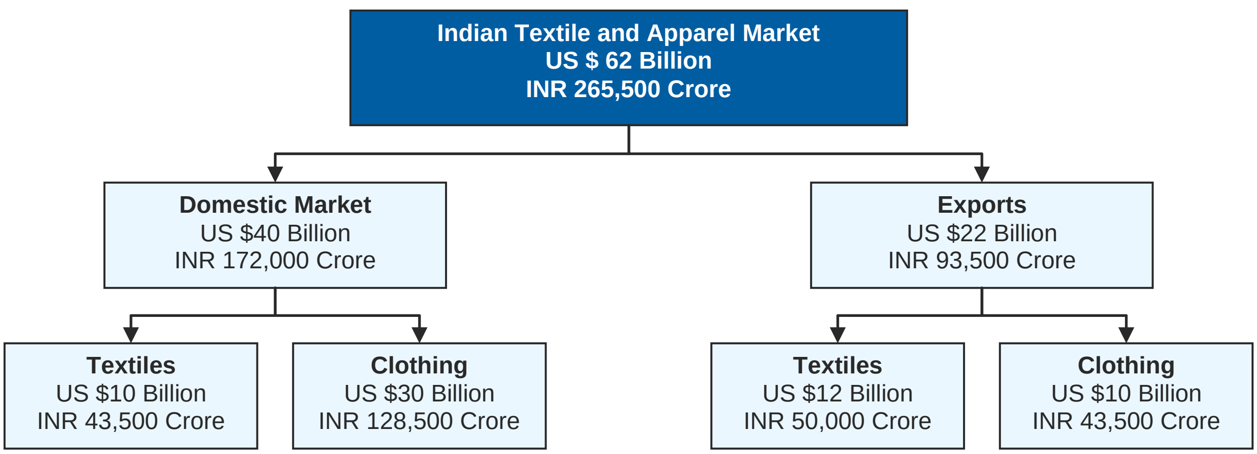
Food, Apparel, Household products, personal products and education constitute a significant portion of household expenditure respectively and are expected to continue to dominate the Indian consumption basket.

APPAREL:

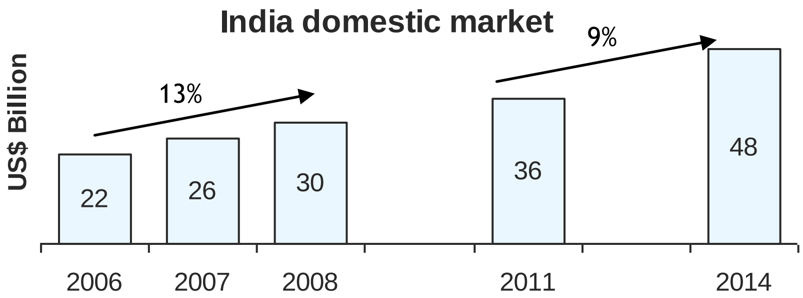
Indian domestic apparel market is one of the fastest growing market in the world. It is expected to become one of the major consumption bases in near future. Out of the total domestic market size of US $ 40 Billion, Clothing contributes US $ 30 Billion, while rest US$10 billion is contributed by Textiles (Home textiles, Technical textiles and other textiles end-uses). The domestic market has shown a significant growth in past few years registering a Compounded Annual Growth Rate (CAGR) of ~13%.

The domestic apparel market is expected to grow at around 9% in the next 5 years. Therefore, the industry needs to focus on the domestic market more intensely and understand the market dynamics in more detail in order to tap the complete potential.

The structure of the Indian textile and apparel market is as follows:



The growth in the domestic apparel market is given in the chart below:



(Source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

The growth drivers for the domestic apparel market include favorable demographics, rising incomes, dropping dependency ratio, rising education levels, increasing urbanization and penetration of organized retail.

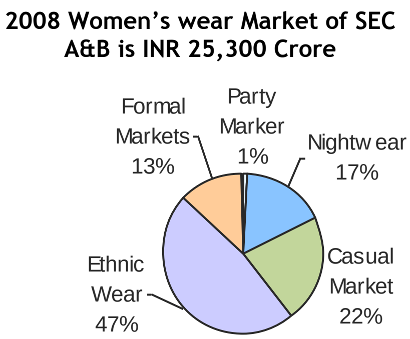
Segments in Apparel:

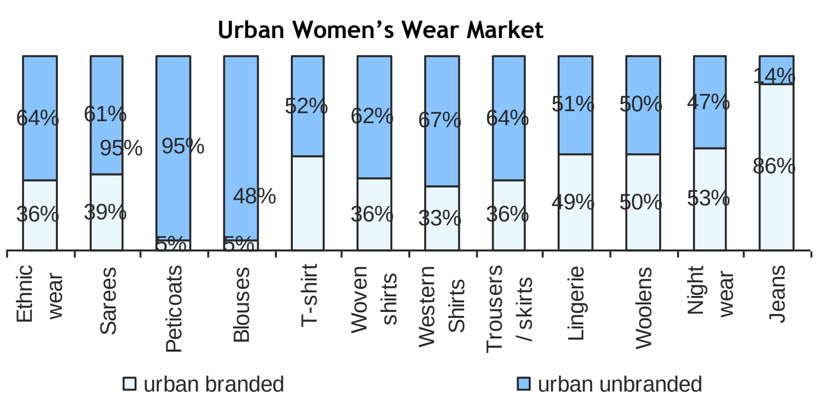
It is evident that the Indian consumer is ready for change, demanding options and looking out for product that suits and matches their needs and aspirations. With the back drop of changes, Indian apparel market is moving away from the traditional segmentation to a much deeper and wider segmentation based on consumer needs. Indian apparel market can be broken up into men, women and kids, but within each there are a number of segments that are emerging reflecting changing needs. Some of the segments that are potential opportunities to watch out for are:

- **Men'swear:** Menswear is still the largest product category both in terms of volume and value. Of the total apparel market, menswear section accounts for 40.2% share as compared to women wear which accounts for 34.8% and kids wear accounting 24.9%. Volume growth in menswear increased from 3.8% in 2005 ,to 5.9% in 2007. The spurt in value growth has also been substantial from 11.8% in 2005 to 13.3% in 2007. (source: India Retail Report, 2009, Images).

- **Women's wear: Women's** formal wear and ethnic wear markets are still ruled by unorganized players. With more women expected to enter corporate world, both these segments are good opportunities because of the market size.

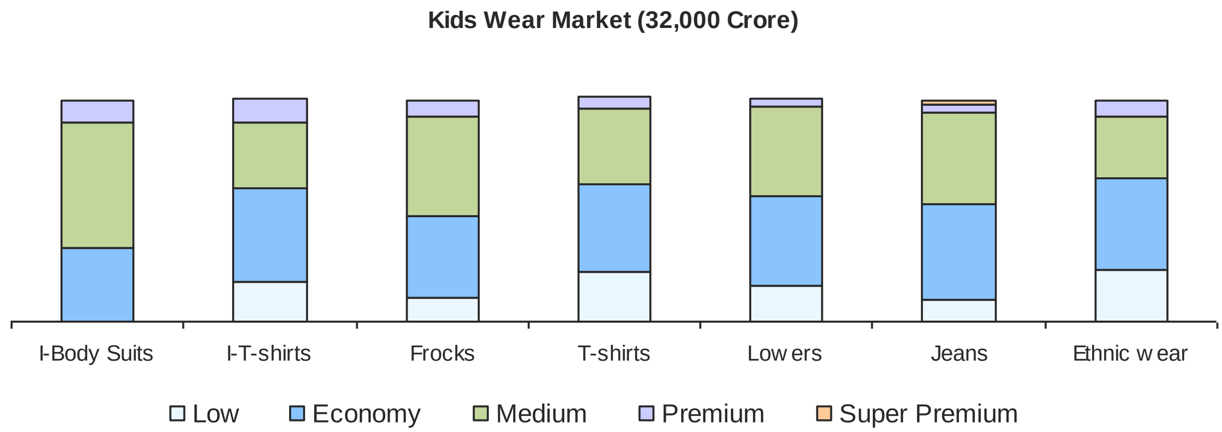
  The details of the various segments in the women's' apparel market is as follows:





(Source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

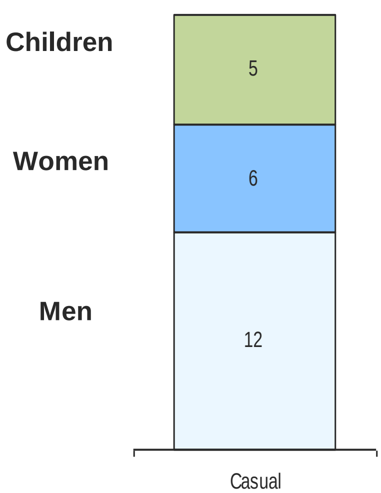
- **Kids wear:** Kids **wear** is a major category with few established players. Very few brands namely Lilliput, Gini and Jony, Catmoss, Benetton, Disney, Barbie. Some brands have extended into this category though not very successfully i.e. OYO by Spykar, Zapp by Raymond(closed down). It still holds a large opportunity which is clearly untapped. The details of the various segments in the kid's apparel market are as follows:



(Source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

- **Casual wear:** Casual wear segments are expected to grow between 10-15% as compare to 9% growth of overall Indian Apparel Market. More than 50% of the clothes in this category are bought by youth (age 13-30) Increase of buying **frequency** of casual wear is spurred by:-
  - Preference for more comfort wear
  - Increase in employability
  - Acceptance of Casual wear in work places

The details of the various segments in the casualwear market are as follows:



Casual Wear	Mens Rs Crores	Womens Rs Crores
Shirts	3290	690
Trousers	2280	150
T-shirts	3300	1330
Jackets	560	90
Sweaters	130	100
Jeans	2840	1240
Total	**12400**	**4600**

(Source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

- **Active wear / Exercise wear / Swim wear:** Indians get more and more health conscious and look for sports & games to address this need. They are also looking to live fuller lives by participating a lot more in outdoor activities as a way to connect to family, friends and their unfulfilled aspirations. Active wear for various sports such as football, tennis, golf, rock-climbing, cricket, swimming is finally gaining acceptance. Exercise wear specially for gyming, exercising, walking and jogging is also becoming important besides apparel for more spiritual inclinations like yoga, meditation etc. Currently the market for active wear is estimated to be Rs 1100 crores and growing at 13%. While India is already home to brands like Reebok, Adidas, Nike and Puma who are showing tremendous growth figures, there still exists potential for brands focusing on specific sporting categories Besides brand based retailing, another important concept is the event centric merchandise retailing which is very popular in the sporting industry, for example FIFA apparel etc. (source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

- **Youth fashion / College fashion:** There is also significant potential in youth fashion market as college going **youngsters** are getting more fashion conscious. Internationally there are brands like American Eagle Outfitters, Aeropostale, True religion etc. which are positioned as fashion labels specifically for the youth. In India there are approximately 11 Million Youth (15-24 years of age) in top consuming strata in 70 cities and this segment offers an opportunity for brands to position themselves for specific age groups like 13-19 years , 20-25 years etc. and establish their brands amongst these specific consumers. (source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

Investments to enhance efficiencies- driven by international and domestic players in apparel

More and more international brands and retailers looking at India as their next destination. The international brands / retailers bring with them superior technology and economies of scale across the supply chain. Domestic players are also looking to upgrade their existing systems. For example , Future Group is making investments with a view to sustain its potential growth in the Indian market and also looking at partnerships with global majors for improving supply chain scales and efficiencies. As a result, the productivity and efficiencies of domestic players will improve along with skill up gradation. (source: Building Sustainable Businesses in the Growing Domestic Market, Technopak)

FOOD AND FOOD PROCESSING:

Indian Food Industry is estimated to be ~ $ 250bn in 2011. Food and Food products constitute ~ 40% of urban household spend and 50% of rural household spent *(Source: Technopak)*.

Food Processing:

India, with a population of more than 1.1 billion, is one of the largest consumer markets in the world. Food consumption in India is expected to grow to 300 billion in dollar terms by 2015 from 200 billion in 2007. Food and Beverages is largest category in Indian 5 consumer spending and is expected to remain in the future.

With agriculture at the core of Indian economy and more than two-thirds of the population dependent on farming, a developed Food Processing sector can be a strong link between agriculture and the consumers. Government's high priority to the sector coupled with a growing consumption-led demand is leading to a fast pace growth in the sector. *(Source: Food processing and Agri business, 2009, KPMG)*

Processed food in India is estimated to be ~44% of the total food Industry by 2011 i.e.~ $110bn. *(Source: Indian Food Industry-Opportunities Abound, Technopak, Dated: October 21, 2008).*

The level of processing in each segment is low relative to many other countries and India accounts for just around 1.5 percent of the global processed food trade. In India the level of processing for Fruit & vegetables is 2.2% as compared to 65% in United States and 23% in China.

Ministry of food processing in their Vision 2015 document has estimated the size of the processed food sector to grow three fold, processing level of perishable to increase from 6% to 20%,value addition to increase from 20% to 35% and India's share in global food trade to increase from 1.5% to 3%. Both the Central and State Governments have launched various initiatives and schemes to invite private sector participation in this sector. The key statistics of the Indian food and processing industry are as follows:

INDIAN FOOD INDUSTRY : KEY STATISTICS	2002 -03	2006-07	2010-11*	2014-15*
Food Industry size ($ billion)	175	200	250	300
Food Processing Industry size ($ billion)	70	85	110	150
% Food Processing Industry in total food industry	40%	43%	44%	50%
Size of organized sector in food processing industry ($ billion)	13	23	37	60
% organized sector in food processing industry	19%	27%	36%	40%

(Source: *Indian Food Industry-Opportunities Abound, Technopak, Dated: October 21, 2008***)**
The market segmentation of the food processing industry and the share of the organised sector is given in the table below:

Segment	Dairy Sector	F & V	Meet & Poultry Processing	Fisheries	Packaged foods	Beverages	Staple foods
Growth rate of the market	15%	20%	10%	20%	8%	27%	85%
Key segments	value added milk products like butter, cheese and ghee	Raw F&V,Fruit pupls , canned fruits & pickles	Cattle, Buffalo & poultry	Marine Fisheries, Frozen products & Minces fish products	Noodles / Vermicelli	Fruit -based drinks & carbonated drinks	Sugar , wheat Flour & salt
Estent of processing	37%	2%	1%	12%			
Share of organized sector	15%	48%	5%		80%	77%	50%

Growth drivers in the Food and Food Processing Industry:

Huge Production Base

- India has second largest arable land of 161 million hectares
- Largest irrigated land (55 million hectares) in the world.
- Largest producer of wheat (72 million tones), accounting for nearly 15% of global wheat production.
- Largest producer of pulses (15 million tones), accounting for nearly 21% of global pulse production.
- Largest producer of milk (96 million tons), accounting for nearly 17% of global milk production.
- Largest producer and exporter of spices.
- 2nd largest producer of tea, accounting for nearly 28% of the global tea production.
- 2nd largest producer of rice (92 million tons), accounting for nearly 22% of global Rice production.
- 2nd largest producer of fruits (50 million tons) and vegetables (100 million tons).
- 2nd largest producer of sugarcane (296 million tons), accounting for nearly 21% of the global sugarcane production.
- 3rd largest producer of coarse grains (31 million tons), including maize, accounting for nearly 4% of the global coarse grain production.
- 3rd largest producer of edible oilseeds (25 million tons), accounting for nearly 7% of the global edible oilseed production.

(Source: Ministry of Agriculture)

- **Changing Demographics and rising disposable incomes**

This is the most important demand booster for the processed food in India. The proportion of the "productive" age group (15-59 years) is nearly 80 percent in India . This age group's propensity and ability to spend on quality processed food is higher. Higher incomes as more Indians join to middle class and upper class also impact the demand of processed food positively.

- **Urbanisation**

Changing lifestyle and increasing spend for snack-on-the-go is 2 responsible for a USD 3 billion and growing snack market . Haldiram's, Frito Lays, ITC are quick to capture this market with products such as Masala Peanuts, Chips, Bhujia and Chaats.

- **Functional Foods**

  Functional Foods, Fresh or Processed Foods that claim to provide health benefits apart from serving the basic function of nutrition, are on the fast-growth path in India. Fabindia Organics, Organic Food retail outlets like 24 Letter Mantra and Godrej Agrovet's Nature Basket have big plans in this segment.

- **Organized Retail and Food Retail**

  Organised Retail penetration – Organised retail comprises of less than 5 percent of the total retail market in India, but is growing at over 20 percent. Food retailing, which constitutes 14 percent of the organised retailing, is also expected to benefit from the growth of organised retail and the demand for processed foods is expected to rise.

- **Government Support:**

  Indian government recognised the potential of Food Processing sector to the economy and has come up several initiatives to boost the quantity and quality of output in the sector. The vast discrepancy in output between the agriculture and food processing is a major cause for concern and government has increased the spending from INR 72.77 crore in 2002-03 to 159.78 crore in 2006-07 to increase the value of the output, share of global processed market and provide a fillip to the farmer's income.

  - Scheme for Infrastructure development

    - *Food Parks:* The government plans to set up Mega Food Parks so as to integrate the value chain comprising of farmers, processors and retailers. The move will help reduce wastage, maximise value addition and increase farmer's income as they get a chance to sell the produce directly. The proposed mega-food parks will be between 10 and 100 hectares in size and 30 locations across India had already been identified. The parks would be set up through private consultants with the government providing grants of up to INR 500 million each. Each mega food park will have a minimum catchment area of five districts. With a chain developing from the farm gate to the retail shelves with collection and distribution centres and central processing centres in between, where functions like sorting, grading and packaging along with irradiation, food incubation cum- development will take place, the food processing ministry hopes this initiative to be a commercial success.

    - Government plans to support Integrated Cold Chains including a value added centre to ensure that there is no missing link from farm gate to retailers/consumers, by increasing the grant assistance.

  - Scheme for Technology Upgradation/ Establishment/ Modernisation

    - Government provides a grant of 25 percent of the cost of plant & machinery and technical civil works subject to a maximum of INR 50 lakhs in general areas and INR 75 lakhs in difficult areas.

  - Scheme for setting up/ Upgradation of Quality Control/ Food testing Laboratory, R&D & promotional activities

    - Setting up a network of laboratories to help in implementing quality regime for processed food.
    - Higher level of assistance to research institutes like IITs and other central/state level institutes
    - Assistance for organising promotional activities like workshops, seminars, exhibitions, fairs, surveys etc
    - 50 percent subsidy to private companies, which set up quality testing laboratories and 100 percent subsidy for State governments that install new testing laboratories.

  - Scheme for strengthening of institutions

    - Establishment of National Institute of Food Technology, Entrepreneurship & Management (NIFTEM).
    - Strengthening of State Nodal Agencies (SNA)
    - Information Technology

Budget 2009 Support Measures

1. Agriculture: The measures will lead to stabilisation of rural demand. Agriculture will be made less dependent on the monsoon with increased focus on irrigation development.

   a. Agricultural credit flow at INR 287000 crore in FY09. Target for FY10 at INR 325000 crore.
   b. Continuation of interest subvention for short term farm loans upto INR 300000. Additional subvention of 1 percent in cases of timely debt servicing. Effective interest on farm loans thus 6 percent under new scheme.
   c. Period of earlier one off debt waiver increased by six months till 31st December 2009.
   d. Task force to be set up to look into debt burden of farmers due to private informal lending in Maharashtra.
   e. Allocation under Accelerated Irrigation Benefit Programme (AIBP) increased by 75 percent.
   f. Allocation under Rashtriya Krishi Vikas Yojana increased by 30 percent.

2. 2. Improving Rural Demand: Increased allocation to National Rural Employment Guarantee Scheme by a whopping 144 percent to improve employment and consumption.

3. 3. Taxation: GST by April 2010 will lead to rationalisation and simplification of the tax structure at both the central and state level, removing the non-uniform VAT currently in place.

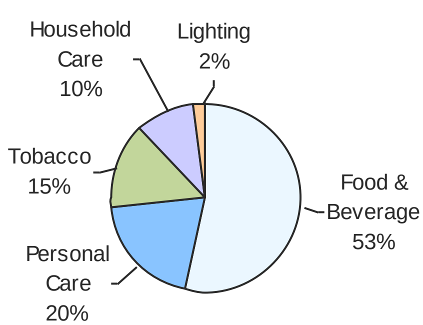
4. 4. Cold Chain: A deduction is allowed in respect of entire capital expenditure (other than the acquisition of any land or goodwill or financial instrument) incurred by the taxpayer engaged in the following businesses:
   - setting up and operating cold chain facilities for specified products
   - warehousing facilities for storage of agricultural produce

   (*Source:Food processing and Agri business, 2009, KPMG*)

FMCG:

FMCG is the 4th largest sector in the Indian economy. It has grown consistently over the last 3-4 years, including the last 12 months of economic slowdown. India's FMCG sector is fragmented and a substantial part of the market comprises of unbranded and unpackaged products. We estimate the sector at US$ 25 billion (Rs. 120,000 crores) at retail sales, in 2008. Based on current trends, growth is projected at 10-12% for the next 10 years; reaching an industry size of US$ 43 billion (Rs. 206,000 crores) by 2013 and US$ 74 billion (Rs. 355,000 crores) by 2018. Implementation of the Goods and Services Tax (GST) and opening up of Foreign Direct Investment (FDI) in retail can accelerate this growth.

The FMCG industry details by category are given in the following chart:



(*Source: FMCG Sector: The Road Ahead, July 23, 2009, Technopak)*

The growth drivers for FMCG are as follows:

- **Income Growth and Under-penetration of FMCG products -** Penetration of many product categories is very low, and with income growth, the market is set to grow over the coming years.

- **Growth of Modern Retail -** From US$ 410 billion in 2008 (Rs. 2,000,000 crores), Indian retail is expected to grow to US$ 535 Billion by 2013 (Rs. 2,600,000 crores) and US$ 755 billion by 2018 (Rs. 3,600,000 crores) opening a huge market for the FMCG products.

- **Innovative Rural Retail** : Rural markets accounted for one third of total consumption pie in the country and is expected to grow at 3.6% over the next two decades. Corporate have launched various innovative retail formats such as DCM Shriram Hariyali Kisan Bazaar, ITC e- chaupal, Aadhar Retaling etc have evolved to cater to the rural consumer base.Rural retail is expected to dominate the Indian retail industry with expected total market share of 50%.

- **Implementation of GST -** The proposed rate of 20% GST (12% at central and 8% at state level) can mean 10-12% reduction in retail prices of FMCG products. GST implementation can give a very significant growth fillip to the FMCG sector.

(Source: FMCG Sector: The Road Ahead, July 23, 2009, Technopak)

Education:

As per industry analysis, nearly 75 to 80 million jobs will be created in India over the next five years. lt is estimated that more than 70% of India’s incremental GDP and 60% of new jobs over the next five years are expected to be generated by the services sector. (Source: Case for Setting Up Sector Skill Councils in India, CII Technopak, April 21, 2009, Technopak).

Vocational Training:

The current vocational training infrastructure caters to just 2.5 million annually through the Directorate General of Employment and Training (DGET) and other departments. It is estimated that only 5 per cent of the youth are single skill vocationally trained, as compared to 96% in Korea or even 22% in Botswana. Vocational Education Training (VET) Institutes today are characterized by structurally rigid and outdated centralized syllabi that do not have much sync with the prevailing market conditions. They impart skills that do not necessarily match industry requirements. Vocational training today does not equip people with the necessary soft skills. Other problems include the mismatch with demand, courses that are outdated and too long and lack scalability. This has resulted in a situation where there is a large enough labor force that is willing to work, but is not employable because of irrelevant skill sets. (source: Case for Setting Up Sector Skill Councils in India, CII Technopak, April 21, 2009, Technopak).

The details of the growth opportunities in the vocational educational space across sectors are provided in the following table:

Industry sector	Market size 2008 US $ Billion)	Market size 2013 US $ Billion)	Additional Direct Employment 2008 to 2013 (Million)	Percentage requiring vocational training (%)
Retail	370	535	2 to 4 **	90
Healthcare	40	80	3.5 to 4*	20
Hospitality & Tourism	102	142	1.6 to 2	65 -70
Food & Agro	194	260	2	65 -70
Textile & Apparel	53	91	5 to 6	80 -90

* Doctors and nurses estimates are not considered in this dataset
** Estimated only for Organized Retail
(Source: Technopak Analysis)

The Existing Regulatory Structure

The prime responsibility of skill development in the country lies with the Ministry of Labor & Employment. The Directorate of Employment & Training (DGET), in the Ministry of Labor and Employment is the apex organization responsible for development and co-ordination at the State level for programmes relating to vocational training. Industrial Training Institutes are under the administrative and financial control of this Directorate. The DGET, along with the Labor Ministry, focuses on policy formation guiding skill development, and allocation of finance from government budgets to support the policy initiatives. Employment service is operated through a countrywide network of Employment Exchanges. The ITIs are under the administrative and financial control of State Governments or Union Territory Administrations. The DGET also operates Vocational Training Schemes in some of the specialized areas through field institutes under its direct control. Development of these programmes at a national level, particularly in the area concerning common policies, common standards and procedures, training of instructors and trade testing are the responsibility of the DGET But, the day-to-day administration of Employment Exchanges and ITIs rests with the State Governments/Union Territories Administration.

The NCVT, an advisory non-statutory body, was set up by the Government of India in the year 1956. The Council has been entrusted with the responsibilities of prescribing standards and curriculum for Craftsmen Training, advising the Government of India on the overall policy and programmes, conducting the All India Trade Tests for award of the National Trade Certificates. The National Council is chaired by the Minister of Labor, with members representing the Central and State Government Departments, Employers' and Workers' Organizations, professional and learned bodies, All India Council for Technical Education, scheduled castes and scheduled tribes, All India Women's Organization, etc. A State Council for Vocational Training (SCVT) at the state level and Trade Committees have been established to assist the NCVT in the implementation of their mandate.

Relevance of the National Skill Development Policy

The Government aims to create 70 million jobs by 2012, and has constituted a National Skills Development Mission to execute the same. The Ministry of Labor & Employment announced that the final draft of the National Skill Development Policy will be tabled before the Union Cabinet for ratification. The policy envisions the establishment of a National Skills Development System with the following mission:

The National Skills Development System is aimed at empowering all individuals through improved skills, knowledge and internationally recognized qualifications to enable access to decent employment, promote inclusive growth and ensure India's competitiveness in the global market.

The 10th Five Year Plan allocated Rs. 350 crores under the centrally sponsored scheme of vocationalization of secondary education. In the 11th Five Year Plan, Rs. 31,000crores has been allocated to be spent on skill development in 20 areas of high growth such as automobiles, auto components, transportation, logistics, warehousing, packaging, travel & tourism, media & entertainment and healthcare services. The Planning Commission has recommended a PPP model to catalyze skill development through short term vocational courses ranging from 6 months to two years. Along with the up-gradation of the existing approximately 7,500 ITls and Polytechnics, the policy aims to train one million people in the next five years; and then one million every year.

The role of training and skills development effort in the country would be three fold:

Firstly, in enhancing an individual's employability and ability to adopt to changing technologies and labor market demands;

Secondly, in strengthening productivity, competitiveness, and supporting the process of economic growth; and

Finally, the objective is to create employment opportunities by attracting FDI and business expansion based on the availability of relevant skills.

(Source: Case for Setting Up Sector Skill Councils in India, CII Technopak, April 21, 2009, Technopak).

Home Products:

The furnishings and furniture market is estimated to be at Rs 85,000 crore (excluding home electronics) and is expected to grow at 10-12%. Nearly, 85% of the home furnishing industry is in the unorganized sector and remaining 15% is in the organised sector. The organized retail segment grew by about 13-15% last year. Some of the major segments in furniture industry are residential, office, contract and institutional. India has a rich and a diverse heritage of craftsmen and products, with the sector moving from the unorganised to organised, efficiencies in systems and processes and economies of scale are expected to lead to higher productivity and profitability.
The main growth drivers for the industry include:

1. **Improving Consumer demographics**: With increasing income levels, consumption of lifestyle products including furniture is on the rise. Consumers are creating greater demand in the sector through willingness to upgrade and to change frequently.

2. **Real Estate / Housing boom**: Housing and Real Estate construction in India has staged a comeback after the economic slowdown in late 2008. Expansion of residential and commercial infrastructure across metros and smaller cities will fuel growth in th furniture and furnishings sector.

3. **Tourism / Hospitality industry growth**: Increasing tourist inflow is leading to development in hospitality space and infrastructure creating demand for furniture and furnishings.

(Source: India Retail Report, 2009, Images)

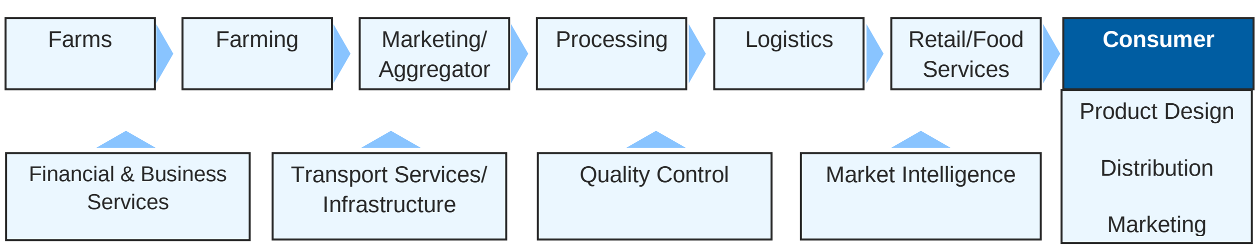
Rural Distribution:

The rural markets offer a sea of opportunity for the retail sector. The urban rural split in consumer spending stands at 9:11 with rural India accounting for 55% of private consumption in the country. According to NCAER rural India is home to 720 mn consumers across 627,000 villages 17% of the villages account for 50% of the rural population. Even though urban markets are growing fast rural market cannot be ignored.

With several states permitting retailers to purchase produce directly from the farmers, the farmers too are adapting to the new opportunity to cultivate assigned crops and take special care of the same, creating a huge opportunity for the rural distribution networks.

Rural distributors among other things ,provides technical guidance, soil and water testing services to the farmers along with creating a organized platform for the farmer to sell his produce and providing complete solution under one roof to all the farmers needs. (Source: India Retail Report, 2009, Images)

The Rural Supply Chain is given below:



(Source: Food Processing: Market & Opportunities, KPMG)

BUSINESS

Overview

We are a part of the Future Group. The Future Group is a business group, led by Kishore Biyani, focusing on consumption-led businesses in India and is also one of India's leading organized multi-format retailers. PRIL, the flagship company of the Future Group, has incubated, nurtured and brought to maturity several businesses and formats, including FCH, Future Generali Insurance, Future Supply Chain, Future Agrovet, Future Media, Future Brands, Future Bazaar, Pantaloons, Central, Big Bazaar, Food Bazaar, Home Town and E-zone.

We seek to create, build, acquire, invest in and operate innovative and emerging businesses in growing "consumption-led" sectors in India, 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. Within the consumption-led sectors, we intend to focus primarily on opportunities in the business segments of (i) fashion, (ii) FMCG, (iii) food processing, (iv) home products, (v) rural distribution and (v) vocational education.

We intend to exercise operational control or influence in the business ventures that we promote or in which we acquire interests. In addition to allocating and providing capital, we intend to create, operationally manage and strategically mentor these businesses, which we refer to as the "Business Ventures". As of date, we have 13 Business Ventures, six of which are our subsidiaries. We seek to enable our Business Ventures to conceptualize and implement their growth and development strategies and to help them convert ideas and insights into viable business propositions. We intend to be a long-term owner, operator and/or partner of the Business Ventures and seek to create value as an active shareholder by deploying the consumer insights, operating skills and capabilities available to us as a part of the Future Group. We seek to access opportunities at various stages of the enterprise growth cycle, from nascent to more mature businesses, with a view towards medium to long-term value creation for our shareholders.

We intend to provide the Business Ventures with access to a wide range of resources within the Future Group. PRIL, along with other arms of the Future Group, is expected to assist the Company in providing mentoring to the Business Ventures, to actively assist their strategic growth and business development plans. We have entered into a Mentoring Services Agreement with PRIL to provide mentoring services to us and/ or the Business Ventures. For further details of the Mentoring Services Agreement, please see the section entitled "History and Certain Corporate Matters – Mentoring Services Agreement" on page 100. Additionally, we have entered into a Consulting and Advisory Services Agreement with FCH under which it will amongst other things support resource mobilisation in investee companies, advise on mergers and acquisitions and exit strategies and provide research services in relation to Treasury Assets. For further details of the Consulting and Advisory Services Agreement, please see the section entitled "History and Certain Corporate Matters – Consulting and Advisory Services Agreement" on page 99. We expect that the capabilities of PRIL and FCH will help us create, develop and generate long term value from our Business Ventures.

We were incorporated on July 10, 1996, with the name Subhikshith Finance & Investments Limited. Following its acquisition in July 14, 2007 by Future Value Retail Limited (earlier known as Pantaloon Future Ventures Limited), a wholly owned subsidiary of PRIL, we changed our name to Future Ventures India Private Limited. We are now a public limited company and are regulated by the RBI as a systemically important non-deposit accepting NBFC.

As at the date of the Draft Red Herring Prospectus, we had the following Business Ventures:

1. Fashion

(i) AND Designs India Limited, a women's apparel business;

(ii) Biba Apparels Private Limited, a women's apparel business;

(iii) Holii Accessories Private Limited, a joint venture with Hidesign India Private Limited which is a manufacturer and retailer of fashion accessories such as leather handbags and wallets;

(iv) Indus-League Clothing Limited, a designer, manufacturer and retailer of ready-made garments under various brands, such as "*Indigo Nation*", "*John Miller*", "*Scullers*" and "*Urban Yoga*" ;

(v) Celio Future Fashions Limited, a joint venture with a global brand of men's apparel and accessories based in France;

(vi) Lee Cooper (India) Private Limited, a manufacturer and retailer of Lee Cooper-branded products; and

(vii) Turtle Limited, manufacturer, distributor, exporter and retailer of men's wear products.

2. Home Products

(i) Indus Tree Crafts Private Limited, a social entrepreneurship which distributes hand crafted furniture and home accessories under the brand "*Mother Earth*".

3. Food Processing

(i) Capital Foods Exportts Private Limited, a food processing company having development and manufacturing capabilities in various processed food products, such as instant noodles, sauces, chutneys and microwavable rice and curries under various brands, including "*Ching's Secret*", "*Smith & Jones*", "*Raji*", "*Mama Marie*" and "*Kaeng Thai*".

4. FMCG

(i) Future Consumer Enterprises Limited, a company engaged in product development, designing, branding and distribution of FMCG products under brands such as "*Tasty Treat*" , "*Clean Mate*", "*Care Mate*", "*Premium Harvest*" and "*Fresh and Pure*"; and

(ii) Future Consumer Products Limited, a company engaged in product development, designing and branding of FMCG products under the brand "*Sach*".

5. Rural distribution

(i) Aadhaar Retailing Limited, a rural and semi-urban retailer of agricultural products and consumer products.

6. Others

(i) SSIPL Retail Limited, a retailer of Nike branded products, wholesaler of footwear, sportswear and apparel, and a manufacturer and distributor of footwear.

For further details of our Business Ventures, please see the section entitled "Business Ventures" on page 126.

Strengths

Synergy with the Future Group

The Future Group is a leading Indian business group promoted by Kishore Biyani which focuses on consumption-led businesses. The Future Group has successfully demonstrated the ability to identify, incubate and grow various consumption-led businesses in India like PRIL, FCH, Future Media, Future Brands, Future Supply Chain and Future Bazaar, and we expect to derive benefits from our strategic relationship with it. We also expect to have access to the expertise of the Future Group's management team, whose deep understanding of India's consumption-led sectors we intend to utilize in evaluating and monitoring our Business Ventures. In addition, we also believe that we will have access to industry contacts, brand building and publicity skills and the network of the Future Group, which we anticipate will aid us in effectively advising and managing our Business Ventures. We believe that access to the following attributes of the Future Group provide us with a competitive advantage:

Track record of incubating and growing businesses coupled with proven execution skills in creating one of the largest organized multi-format retail networks in India: The Future Group has conceptualised, supported and developed, various consumption-led business concepts such as Pantaloons, Central, Big Bazaar, Food Bazaar and Home Town, which enjoy wide brand recognition and customer loyalty. A key element of the Future Group's growth has been its strategy of actively mentoring its projects and we also expect to benefit from access to such mentoring capabilities. We also intend to leverage the execution skills of the Future Group, including its operational and managerial skills, to facilitate the management and growth of our Business Ventures, which we believe we already have done for certain of our existing Business Ventures. We will continue to access the experienced pool of finance, operating and investment professionals belonging to the Future Group for providing guidance and mentoring to the Business Ventures.

Deep understanding of the Indian consumption-led sectors and the evolving needs of the Indian consumer: As one of India's leading retail groups with over 12 years of organized retail experience, the Future Group has developed a deep understanding of the consumption-led sectors and businesses in India, including consumer aspirations. The Future Group's presence across multiple retail formats presents us with opportunities to source ideas which could be converted into successful businesses. We expect that access to these insights will enable us to effectively evaluate opportunities in our target sectors and formulate appropriate growth strategies for our Business Ventures.

Business sourcing opportunities: We believe that, because of its market presence, and successful track record of establishing new business formats, the Future Group will have access to a range of business opportunities in consumption-led sectors in India that we expect to be able to access. In addition, we also expect to have access to the industry contacts and the network of various Future Group entities to aid us in sourcing additional business opportunities. The Future Group network has already helped us source opportunities with respect to certain of our Business Ventures, such as Biba Apparels Private Limited, AND Designs India Limited, Indus Tree Crafts Private Limited and Capital Foods Exportts Private Limited.

Relationship with PRIL and the Future Group: We have entered into a Mentoring Services Agreement with PRIL, pursuant to which PRIL would provide mentoring services to us and/ or the Business Ventures. The assistance to be provided by PRIL would include, amongst other things, insights into consumer behaviour, advice regarding business strategy, review or development of business plans for the Business Ventures, guidance in development of new businesses, products and/ or distribution strategies, assistance in sourcing products and materials, and assistance in brand building and marketing of products. Furthermore, PRIL would provide assistance and advise to the Company in formulating strategies regarding exit from the Business Ventures and investment consumption-led sectors and undertaking due diligence on the Business Opportunities. We also have the option of nominating professionals from PRIL to the boards of our Business Ventures to manage and monitor them in a more comprehensive manner.

We would also have access to a pool of experienced professionals in the employment of PRIL and other Future Group companies, such as:

(i) Kailash Bhatia

Kailash Bhaita is the CEO and a director of PRIL. He has previous experience of approximately 30 years in the fashion industry and was a co-founder of "*ColorPlus*" brand. Prior to joining PRIL, he has worked with Color Plus Fashion Private Limited, Weekender, Arvind Mills Limited and Mafatlal Industries Limited.

(ii) Vibha Rishi

Vibha Rishi is the Group Strategy and Consumer Director of the Future Group. She is responsible for marketing, communication and customer strategy of the group companies. She is employed with Future Corporate Resources Limited. She holds a master's degree in business administration from the Faculty of Management Studies, University of Delhi. Vibha Rishi has previously worked with Tata Administrative Services and PepsiCo.

(iii) Damodar Mall

Damodar Mall is the Director Integrated Food Strategy of the Future Group. He is responsible for overall food and FMCG strategies for the Future Group. He is employed with Future Corporate Resources Limited. He has previous experience of approximately 20 years in the FMCG and food industry. He was a co-founder of D'Mart, a supermarket chain based in Mumbai. He holds a bachelor's degree in technology from the Indian Institute of Technology, Mumbai and post graduate diploma in management from the Indian Institute of Management, Bangalore. Damodar Mall has previously worked with Hindustan Unilever Limited.

(iv) Santosh Desai

Santosh Desai is the Managing Director and CEO of Future Brands India Limited. He has approximately 21 years of experience in the advertising industry. He holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Santosh Desai has previously worked as President with McCann-Erickson, India. He has also been keynote speaker at various advertising forums within and outside India and has also addressed the management teams of several multinationals on advertising related matters.

Additionally, we have also entered into a consulting and advisory services agreement with FCH. Under the agreement, the FCH's responsibilities include supporting resource mobilisation in investee companies and advising on mergers and acquisitions and exit strategies and providing research services in relation to Treasury Assets.

Uniquely positioned to access opportunities in consumption-led sectors

Whilst we would have access to the experience and industry networks of the Future Group, all Business Opportunities would be independently evaluated by our Investment Management Team and approved by us. This would provide us with a unique perspective for evaluating Business Opportunities which are closely aligned to our investment philosophy and which may have significant potential for growth on account of consumer demand in the businesses they operate. Moreover, our business model of acquiring interest and managerial control in companies, rather than operating such companies directly, provides us with an opportunity of participating in growth of consumption-led sectors with mitigated exposure to attendant operational risks. Additionally, within the consumption-led sectors, we have presence or seek to establish our presence in business opportunities belonging to diverse segments comprising of fashion, home products, food processing, FMCG, rural distribution and vocational education, which reduces our exposure to risks associated with, or downturns that may afflict, any particular segment.

Access to diverse growth businesses through long-term and liquid investment opportunities

We believe that there are a number of business opportunities in India that for a variety of reasons offer the potential for long-term growth. For example, due to rapidly rising income levels in India and the resultant changes in consumption patterns, consumption-led industries are considered to have high growth potential. We will look to explore opportunities for capital across entities operating in consumption-led sectors and will seek to offer our shareholders access to the potential growth prospects presented by these opportunities.

Brand equity of certain of our Business Ventures

We intend to focus on consumption-led sectors and brand recognition is a significant element of successfully operating in the consumption-led sectors. Certain of our Business Ventures have been successful in creating distinct brands.

We believe that AND Designs India Private Limited ("AND Designs") and Biba Apparels Private Limited ("Biba") have established themselves as recognisable retailers of women's apparel. AND Designs has established women's apparel brands catering to various segments of the market including "*AND*", "*Anita Dongre Inter Pret*", "*Anita Dongre Timeless*", "*GRASSROOT*" and "*Globaldesi*". In addition to its established presence in women's ethnic wear segment in India, Biba has also established *"Meena Bindra"* brand which caters to the price-conscious segments of the market. Indus-League Clothing Limited designs, manufactures and retails ready-made garments under various recognisable brand names including "*Indigo Nation*", "*John Miller*", "*Scullers*" and "*Urban Yoga*". Lee Cooper (India) Private Limited and Indus Tree Crafts Private Limited market their products under "*Lee Cooper*" and "*Mother Earth*", respectively, which are well recognised within their respective business segments. "*Ching's Secret*" and "*Smith & Jones*" brands of Capital Foods Exportts Private Limited are well recognised for processed food products.

The brand equity of our Business Ventures provides them with a wider access to the markets within their respective business segments. It also provides them with an ability to leverage the existing brand equity to launch new brands and/ or products. We believe the strength of the brands established by our Business Ventures is testimonial to their commitment to provide quality products to customers.

Experienced management team

Our business is supported by a talented and experienced pool of finance, operating and investment professionals with a variety of backgrounds in finance, accounting and retailing, including Our Chief Investment Officer, K. K. Rathi; our Vice-President (Investments), Meenakshi Maheshwari and our Vice-President (Finance), Gopal Bihani. The brief biographies of our key employees are detailed below:

(i). K. K. Rathi

K.K. Rathi, our Chief Investment Officer, is a qualified Chartered Accountant and Company Secretary with approximately 24 years of professional experience. He has prior experience in corporate finance, strategic business planning and investment advisory, which was acquired in reputable organisations such as KEC International Limited, H&R Johnson (India) Limited, PRIL and Motilal Oswal Private Equity Advisors Private Limited. He has previously worked as Group CFO with PRIL where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance. K.K. Rathi is also a director of various companies including Future Generali India Life Insurance Company Limited, Future Generali India Insurance Company Limited, Sain Advisory Private Limited, FCH Centrum Direct Limited, FCH Centrum Wealth Managers Limited and Future Capital Holdings Limited.

(ii). Meenakshi Maheshwari

Meenakshi Maheshwari, our Vice- President (Investments), is a qualified Chartered Accountant with approximately 18 years of experience in financial accounting, due diligence and transaction advisory. She has worked in senior management positions with organisations such as Ernst & Young, KPMG and Ferrier Hodgson, where she has assisted private equity and strategic investors in evaluation of their investment decisions. Meenakshi Maheshwari has also assisted investors and lenders in pot-investment monitoring, review and restructuring of investee companies. She has also worked with Godrej GE Appliances Limited, an FMCG company.

(iii). Gopal Bihani

Gopal Bihani, our Vice-President (Finance) is a qualified chartered accountant and has approximately 12 years of experience in consumption-led and manufacturing sectors. He has been working with the Future Group since 2005. Prior to joining our Company, Gopal Bihani has worked as CFO for different business formats and companies of the Future Group, such as Aadhar Retailing Limited, Food Bazaar (a division of PRIL) and GJ Future Fashion Limited (Gini & Jony). Gopal Bihani has previously worked with H&R Johnson (India) Limited and Indian Council for International Amity. He has experience in accounting and financial management, strategic business planning and execution, conducting operational monitoring, establishing management reporting system, ERP implementation for retail and manufacturing companies, investor relationship management and compliance.

(iv). Manoj Gagvani

Manoj Gagvani, our Company Secretary and Head-Legal, has a bachelor's degrees in commerce B.Com; LLB (Gen.) and is an ACS. He has previously worked with Excel Industries Limited, Nilkamal Limited and Pidilite Industries Limited and has experience of approximately 20 years in corporate secretarial and legal functions.

Strategy

Focus on consumption-led sectors in India

We believe that we will be able to enhance our return on assets by focusing on consumption-led businesses in India.

We intend to focus primarily on opportunities in the business segments of (i) fashion, (ii) FMCG, (iii) food processing, (iv) home products, (v) rural distribution and (v) vocational education. We believe that our target sectors will benefit from the rapidly rising income levels in India and the resultant changes in consumption patterns. Accordingly, we will focus on sourcing opportunities in industries which are consumer driven and have high growth potential. Our strategy is not to concentrate our businesses, but to consider opportunities across various segments within consumption-led sectors.

Actively operate and manage our Business Ventures

We intend to promote or hold a significant stake in our Business Ventures, and to exert operational control or influence over them through, among other methods, maintaining board or senior executive representation as well as placing persons in management or advisory roles. We expect to influence business strategy and decision-making of our Business Ventures through operational management and the exercise of customary shareholders' rights commensurate with the level and type of our participation in the business. We will also pursue appropriate longer-term value creation strategies, which may include unlocking value in our Business Ventures through public market or private sales after taking into account factors such as the stage of development of the relevant Business Venture and general market conditions. We also propose to provide the Business Ventures with access to expertise and experience of PRIL and have entered into the Mentoring Services Agreement with PRIL to facilitate the same.

Diversify our businesses

Although our focus will be on consumption-led sectors, we may also diversify into other potential high growth sectors. We intend to participate in emerging businesses, including those within consumption-led sectors, both through building new businesses directly and partnering with other companies to develop or grow Business Ventures jointly. We also intend to participate in more mature opportunities in companies which we believe have unrecognized growth potential, or are undervalued or in which we believe we can identify hidden assets or recovery potential. We believe that this approach will position us to perform well in a variety of market conditions and add complementary assets to our business.

Our goal is to manage and mentor our Business Ventures with a view to achieving long-term growth, although we may also consider short-term opportunities where we see prospects for attractive returns. In determining the opportunities we will pursue, Investment Committee and Investment Management Team will focus on the optimal outcomes for our Business Ventures generally over a period of several years rather than on the near-term impact on our revenue, profits or cash flow. It is our strategy to extract optimal capital growth in our Business Ventures while managing risks, with a view to providing an acceptable return on assets. To this end, we will seek opportunities that demonstrate clear growth prospects and talented and committed management.

Investment Policy

We believe in applying a disciplined investment approach and building strong partnerships with highly motivated management teams and/ or promoters. When making investments, we seek out strong business models, attractive growth prospects, leading market positions and the ability to generate attractive returns.

Within the broad investment parameters, we intend to participate in the consumption-led sectors through creation or acquisition of, or investment in, Business Opportunities. Our investment objective is to catalyse growth of emerging or potentially high growth Business Opportunities, through active participation and/ or advisory role. We would primarily focus on business segments of (i) fashion, (ii) FMCG, (iii) food processing, (iv) home products, (v) rural distribution and (v) vocational education. We may, however, evaluate and participate in other opportunistic investments in other high growth or potentially high growth business segments. We endeavour to aggregate various Business Ventures which belong to similar business segment and optimise utilisation of resources for such Business Ventures. All our investments shall be subject to the applicable exposure norms and prudential guidelines. The Reserve Bank of India has granted exemption to us until March 31, 2011 from complying with certain provisions of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 regarding single party/ group exposure norms for loan/ investments, subject to compliance with certain conditions. For further details of the exemption, please see the section entitled "Government Approvals" on page 294.

We propose to undertake investments through various mechanisms including investing in equity, equity-linked instruments and/ or debt. However, we intend to exercise operational and managerial control. We intend to ensure operational control through acquiring significant stakes in Business Opportunities or entering into contractual arrangements providing for strategically beneficial privileges.

The ultimate objective of our investment policy is to capitalise on value creation in Business Ventures through long term participation or exiting the Business Ventures at a premium to our investment through public markets or private sales in appropriate circumstances. However, we do not intend to be governed by fixed timeframes or other short-term considerations in respect of any such value creation efforts.

Business Sourcing Processes

Sourcing of Business Opportunities

The Investment Management Team, headed by our Chief Investment Officer - K.K. Rathi, will source opportunities through a variety of channels, including their network of direct relationships with business groups, commercial and investment banks, and financial institutions. The Investment Management Team will also capitalise on its association with the Future Group to generate business opportunities in various consumption-led industries. The Investment Management Team is expected to take an active, hands-on approach to identifying opportunities and negotiating transactions, using its well qualified investment advisory and risk control teams.

The Investment Management Team currently comprises of Chief Investment Officer - K.K. Rathi, Vice-President (Investments) - Meenakshi Maheshwari, Vice-President (Finance) - Gopal Bihani and Company Secretary & Head Legal - Manoj Gagvani. For further details of our employees, please see the section entitled "- Strengths - Experienced Management Team" and "Management - Key Managerial Personnel of the Company" on pages 72 and 121, respectively.

We believe that our Investment Management Team has the ability to make well informed qualitative judgements and perform rigorous quantitative analysis including risk assessment, which are critical in evaluation of Business Opportunities.

Screening and evaluation

Prior to recommending any opportunity, the Investment Management Team will conduct a pre-screening of the potential opportunity against our strategy and business philosophy and risk and return expectations. A preliminary evaluation will be conducted of the macroeconomic environment, the sector and industry outlook and the business plan of the potential opportunity. The Investment Management Team will also consider the degree to which a potential opportunity coincides with our strategy, including potential return on equity, diversification and appetite for risk.

In deciding whether to recommend any opportunity, the Investment Management Team will conduct sensitivity analyses of various features of the transaction to assess projected returns. The Investment Management Team's evaluation process will be focused on fundamental research regarding opportunities to ensure that relationships between profit potential and risk are clearly understood.

The Investment Management Team will conduct thorough reviews of various scenarios, including growth potential, discounted cash flows, comparable company metrics, industry analysis, quality of management and other value indicators. The Investment Management Team will also analyze the strategic fit of any potential opportunity with our objectives and business philosophy. Since we expect that many of our Business Ventures will not be in the form of liquid assets, we recognize the need to act rapidly if potential issues arise so that we can take remedial action. Consequently, the Investment Management Team will perform periodic analyses of the performance of our Business Ventures and will advise us on appropriate strategies with respect thereto.

On screening and evaluation of a Business Opportunity, the Investment Management Team will prepare an evaluation memorandum regarding the Business Opportunity which may, *inter alia*, detail the following:

(a) description of the business;
(b) description of the promoters and existing shareholders;
(c) business prospects and SWOT analysis;
(d) financial analysis;
(e) summary of due diligence undertaken;
(f) declaration regarding compliance with prudential norms for the Company prescribed by the Reserve Bank of India or any other regulatory authority; and
(g) rationale for investment by the Company.

The evaluation memorandum would be presented to the Managing Director, Investment Committee or the Board of Directors, in accordance with the value of the investment and applicable approval limit.

Approval Process

Decision regarding investment in a Business Opportunity can be made by the Managing Director or the Investment Committee or the Board of Directors.

Decisions regarding single capital commitment of up to Rs. 25 crores and aggregate capital commitment of up to Rs. 100 crores in a single Business Opportunity or follow-on investment in Business Venture, in which operational control is intended or exists, as applicable, can be approved by the Managing Director on recommendation of the Investment Management Team.

For larger amounts, the Investment Committee has the authority to approve business opportunities in any particular asset class up to 25% of our Adjusted Net Worth and any single proposal up to 15% of our Adjusted Net Worth. Decisions of the Investment Committee on any business opportunity will be made by majority vote. The Investment Committee will comprise of one independent director and two non-independent directors. Currently, it comprises of Kishore Biyani (Chairman), G. N. Bajpai and B. Anand. The Chief Investment Officer shall be a permanent invitee to the Investment Committee. Additionally, the Investment Committee may also invite advisors with relevant experience to provide assistance in evaluating the Business Opportunities. However, any invitees shall not have voting rights. For further details of the Investment Committee, please see the section entitled "Management – Other Committees of the Board" on page 118.

Any proposals that are beyond the authority delegated to the Investment Committee or that result in (i) our exposure to any one sector exceeding 50% of Adjusted Net Worth at the time of investment, or (ii) our investment in illiquid assets exceeding 85% of Adjusted Net Worth ,will be approved by the Board of Directors.

Before taking any final decision regarding approval of a Business Opportunity, we shall ensure adherence to the prudential norms prescribed by the Reserve Bank of India or any other regulatory/ statutory authority, and any other relevant regulatory norms and limits in accordance with the applicable law.

Conflict management

Business Opportunities shall be sourced by our Investment Management Team and recommended to the Managing Director, or Investment Committee, or the Board of Directors, as appropriate. If any such Business Opportunity is rejected by the Board of Directors, the same may be offered to entities belonging to the Future Group. Whilst we do not intend to invest in Business Opportunities directly recommended by the Future Group, our Investment Management Team may consult them or capitalise on their experience for sourcing Business Opportunities. Investment in any Business Opportunities will be based on an independent evaluating by our Investment Management Team and approval by the Managing Director, Investment Committee or the Board of Directors, as applicable. Any investments that we undertake in Business Opportunities recommended by, or held by any Future Group entity shall be conducted on an arm's length basis.

Any conflicts resulting from both our Company and any other Future Group entity being interested in investing in a Business Opportunity shall be resolved through consultation between one independent director to be assigned for such consultation by each of PRIL and the Company.

Risk management

We believe that measuring, understanding and controlling risk is a dynamic and constantly evolving process, and we regard it as fundamental to our business. The principal risks to which we will be exposed are execution risk, operational risk, market risk, liquidity risk, credit risk and~~,~~ equity risk. We will be exposed to these risks directly, to the extent that these risks may directly affect the value of our interests in Business Ventures and any other assets, and indirectly, to the extent that they may affect the value of the assets underlying Business Ventures. We intend to manage these risks at both the transaction and business asset levels. As regards transaction level risks, the Investment Committee will screen the business opportunities based on analysis of potential risk scenarios. As regards asset risk, we expect to place a cap on business asset types as well as on the size of each business opportunity. Certain categories of risk highlighted below are discussed in greater detail in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 247.

Execution risk

Execution risk is the risk that a business in which we acquire an interest may not be able to execute its business plans. We seek to manage this risk by active participation in the management of the Business Ventures with support and assistance from PRIL, and FCH. We would undertake the following measures to address execution risks:

(i) active participation in the management of the Business Ventures;

(ii) monitoring supply and demand of goods and services produced, provided or sold by our Business Ventures; and

(iii) regular monitoring of under-performing Business Ventures by senior management and the Board of Directors.

Operational risk

Operational risk arises from inadequate or failed internal operational control processes. We seek to manage this risk by implementing business policies which specify detailed operational procedures in respect of the business interests it acquires. We have developed internal controls for ourselves and our Business Ventures, such as exceptions reporting, periodic asset inspections, detailed management information systems, reporting and internal audits of critical systems to mitigate this risk. We are currently developing broader systems of internal and external audits and checks in order to further protect our Business Ventures and shareholders from potential risk.

Market risk

Market risk is the risk to earnings and capital growth arising from adverse movements in interest rates and equity prices, or industry or sector performance. We would attempt to address such risks by conducting peer group comparison and sectoral analysis for our proposed investments, close monitoring of investments and risk adjusted performance measurement and through the investment policy for evaluating Business Opportunities adopted by our Board of Directors. Our techniques and processes for managing the various components of market risk will continue to evolve in line with the relative significance of these risks in our balance sheet.

Liquidity risk

Liquidity risk arises from the absence of liquid resources, when funding loans and investments. This could be due to a decline in the expected liquidation price of our assets, or our inability to raise adequate resources at an appropriate price. We will seek to minimize this risk through a mix of strategies, including maintaining liquid treasury assets and following a forward-looking resource raising programme based on projected disbursements and maturing obligations.

Equity risk

We assess our Business Ventures before approval and disbursement for their risk-return profile. Any proposals that result in (i) our exposure to any one sector exceeding 50% of Adjusted Net Worth at the time of investment, or (ii) our investment in illiquid assets exceeding 85% of Adjusted Net Worth ,will be approved by the Board of Directors. These internal prudential guidelines also are subject to compliance with the RBI's exposure guidelines and prudential norms for NBFCs.

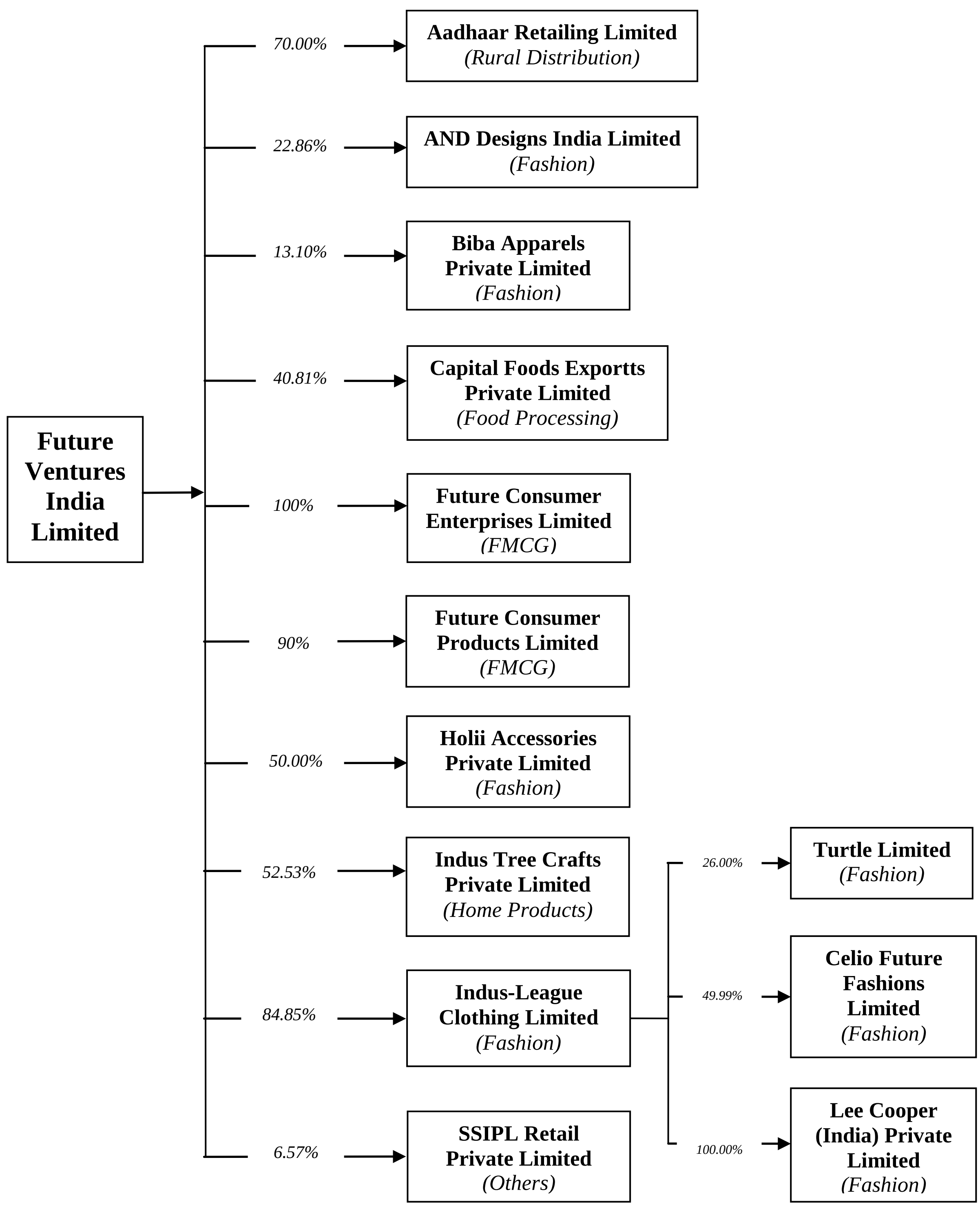
In accordance with RBI regulations a non-deposit taking NBFC will be considered systemically important (an "SI-NBFC") if it has total assets of Rs. 100 crores or more as per its last audited balance sheet. Since March 31, 2008, we have had total assets exceeding Rs. 100 crores and, consequently have been classified as an SI-NBFC. For further details of the requirements applicable to SI-NBFCs please refer to section entitled "Regulations and Policies-NBFC Regulations" on page 86.

Credit risk

Credit risk is the risk of loss in value of debt securities due default in payment by the issuer. We are subject to credit risk with respect to our Business Ventures. The Investment Committee will seek to help us mitigate credit risk by actively monitoring Business Ventures and the quality of the underlying assets. We will seek to minimize credit risk further by promoting and acquiring interests in Business Ventures that we believe are appropriately diversified for our needs by asset type, industry, the nature of the business and the life-cycle of the underlying assets. Additionally, we expect that the Investment Management Team will target business opportunities that, based on the Investment Management Team's analysis, have a low probability of capital depreciation.

Business Ventures

Our investments in Business Ventures comprises of equity shares, debentures and preference shares. In accordance with our investment policy, we have invested in Business Ventures within our preferred business segments in the consumption-led sectors. Our shareholding in the Business Ventures is as follows:



As of the date of the Draft Red Herring Prospectus, we have interest in the following 13 Business Ventures:

1. Fashion

(i) AND Designs India Limited ("AND Designs")

AND Designs caters to the women's apparel market, with focus on western wear. AND Designs was promoted in 1995 by Anita Dongre and others as a manufacturer and supplier of unbranded apparel to retail stores. The company opened its first retail store and also launched its prêt line "*AND*" in 1999. Following the success of the "*AND*" brand, the company launched Anita Dongre's premium label, "*Anita Dongre Inter Pret*", a mix and match western wear fashion brand, "*Anita Dongre Timeless*", a custom made occasion wear, "*GRASSROOT*", an organic clothing line and "*Globaldesi*", international fusion wear. AND Designs has also been involved in designing uniforms for various corporates.

On November 30, 2008, we purchased 15.15% of the equity share capital and 100 fully convertible debentures of AND Designs. Pursuant to the conversion of the fully convertible debentures, we hold 22.86% of the issued and paid-up equity share capital of AND Designs as of the date of this Draft Red Herring Prospectus. We paid an aggregate consideration of Rs. 573.14 lakhs for acquiring 22.86% shareholding in AND Designs.

In the year of our investment in AND Designs, it operated through 28 exclusive brand outlets and 113 multi-brand outlets, including 64 Future Group outlets, which have increased to 33 exclusive brand outlets and 123 multi-brand outlets, including 67 Future Group outlets, as of the date of the Draft Red Herring Prospectus.

The sales and profit of AND Designs have increased at a CAGR of 71% and 505%, respectively from Fiscal 2009 to Fiscal 2010. For Fiscal 2010, AND Designs had net sales of Rs. 3,913.34 lakhs and a net profit of Rs. 394.08 lakhs.

We have assisted AND Designs in developing its marketing strategy, which has, we believe, resulted in increased sales.

(ii) Biba Apparels Private Limited ("BAPL")

BAPL was incorporated in 1988 and is involved in the designing and marketing of women's apparel. BAPL has an established presence in ethnic wear segment in India, which includes ethnic ensembles (salwar, kameez and dupatta), mix and match readymade clothing and unstitched fabric lengths. Apart from high-end designer apparel, BAPL also has *"Meena Bindra"* brand which caters to the price-conscious segments of the market. Since 2002, BAPL has also ventured into movie merchandising.

On October 26, 2007, we acquired 6.53% of the equity share capital and 7,000 fully convertible debentures of Rs. 10,000 each of BAPL for an aggregate consideration of Rs. 13.15 crores from FCH. In September 2008, 7,000 fully convertible debentures were converted into 32,336 equity shares of BAPL for an aggregate consideration of Rs. 755.58 lakhs. As of the date of this Draft Red Herring Prospectus, we held 13.10% of the issued and paid-up equity share capital of BAPL.

In the year of our investment in BAPL, it operated through 37 exclusive brand outlets and 96 multi-brand outlets, which have increased to 70 exclusive brand outlets and 120 multi-brand outlets, including Pantaloons and Central, as of the date of the Draft Red Herring Prospectus.

The net sales and net profit after tax of BAPL have increased at a CAGR of 22% and 26%, respectively from Fiscal 2008 to Fiscal 2010. For Fiscal 2010, BAPL had net sales of Rs. 9,887.85 lakhs and a net profit after tax of Rs. 810.63 lakhs.

We believe that the women's apparel market is a large and growing segment of the apparel industry, and that the Future Group can provide support to assist BAPL grow its business even faster. The Future Group has helped BAPL enter into retailing new categories of apparel for price conscious consumers. The Future Group has also helped BAPL develop information systems to enable more effective reporting and improve operational efficiency.

(iii) Holii Accessories Private Limited ("Holii")

Holii is joint venture between the Company and Hidesign India Private Limited. It is involved in the business of retailing fashion accessories, such as luxury handbags for women, wallets and other leather products, under the brand name "*Holii*".

In accordance with the subscription cum shareholders' agreement dated December 15, 2009 between us, Hidesign India Private Limited and Holii Accessories Private Limited, we had acquired 5,000 equity shares, aggregating 50% of the equity shareholding of Holii, for a consideration of Rs. 0.50 lakhs. Subsequently, Holii issued 4,95,000 equity shares each to the Company and Hidesign India Private Limited for a consideration of Rs. 49.50 lakhs each. Thereafter, Holii issued 2,50,000 equity shares each to the Company and Hidesign India Private Limited. The Company paid a consideration of Rs. 25 lakhs for the said 2,50,000 equity shares of Holii. As of the date of this Draft Red Herring Prospectus we hold 50% of the issued and paid-up equity share capital of Holii.

As of the date of this Draft Red Herring Prospectus, Holii operated through five exclusive brand outlets and 33 multi-brand outlets, including 14 *shops-in-shops* outlets. For Fiscal 2010, Holii had net sales of Rs. 167.90 lakhs and a loss of Rs. 60.89 lakhs.

Holii was conceived on the basis of consumer insight provided by PRIL and Hidesign India Private Limited. We have assisted Holii in increasing market access by arranging for Holii to set up *shops-in-shops* in the Future Group outlets and devising the marketing strategy for Holii.

(iv) Indus-League Clothing Limited ("Indus-League")

Indus-League is an established designer, manufacturer and retailer of ready-made garments. It retails its products through the brands; "*Indigo Nation*", "*John Miller*", "*Scullers*", "*Urbana*", "*Urban Yoga*" and "*Jealous*". Indus-League has market presence in India, Sri Lanka, Middle East Asia, United Arab Emirates and Bahrain.

We had pursuant to share purchase agreements dated March 31, 2008, with Pantaloon Industries Limited ("PIL") and Future Corporate Resources Limited (formerly PFH Entertainment Limited) purchased 14.28% of the equity share capital of Indus-League for an aggregate consideration Rs. 5,005 lakhs. Indus League, thereafter, issued 93,63,961 equity shares to the Company on January 30, 2010 for an aggregate consideration of Rs. 9,822.79 lakhs. Additionally, during this year, the Company has purchased 127,13,422 equity shares of Indus-League for an aggregate consideration of Rs. 23,193.47 lakhs. As of the date of this Draft Red Herring Prospectus we hold 84.85%of the issued and paid-up equity share capital of Indus-League.

In the year of our investment in Indus-League, it operated through 80 exclusive brand outlets and 345 multi-brand outlets, including 96 Future Group outlets. As of the date of the Draft Red Herring Prospectus, exclusive brand outlets operated by Indus-League have increased to 100.

The sales and profit of Indus-League have increased at a CAGR of 15% and 144%, respectively from Fiscal 2008 to Fiscal 2010. For fiscal year 2010, Indus-League had aggregate sales of Rs. 22,973.67 lakhs and profit of Rs. 172.43 lakhs.

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. Certain Future Group companies have provided mentoring and guidance to Indus-League, through their respective employees who have significant experience in designing and retailing branded apparel. The Future Group has assisted Indus-League in identifying and appointing senior employees and implementation of SAP. We have helped Indus League in redesigning its distribution strategy, which has resulted in reduced inventory levels and operational costs and assisted Indus League in improving lifecycle management of its brands and merchandise.

(v) Celio Future Fashions Limited ("Celio")

Celio was incorporated as a joint venture between Celio International, a France based men's apparel and accessories retailer, and Indus-League Clothing Limited (a Future Group entity), to retail men's apparel and accessories in the Indian market.

Celio International is based in France and caters primarily to the continental European market, aiming to provide fashionable, affordable clothing through its nearly 400 points of presence across 25 countries. Celio was established to develop the "*Celio*" brand in India. We intend to leverage our retail expertise in developing Celio's business and providing it with a strong distribution platform through the Future Group outlets, such as Pantaloons and Central.

We acquired 49.99% stake in Celio from Indus-League Clothing Limited for Rs. 1,199.99 lakhs in terms of deed of adherence dated December 16, 2008. Thereafter, through deed of adherence dated January 30, 2010, we have transferred our shareholding in Celio to our subsidiary, Indus-League Clothing Limited for a consideration of Rs. 2,500.00 lakhs. As of the date of this Draft Red Herring Prospectus, Indus-League Clothing Limited holds 49.99% of the issued and paid-up equity share capital of Celio.

In the year of our investment in Celio, it operated through 2 exclusive brand outlets and 14 multi-brand outlets of the Future Group, which have increased to 11 exclusive brand outlets and 53 multi-brand outlets, including 41 Future Group outlets, as of the date of the Draft Red Herring Prospectus.

The sales of Celio have increased at a CAGR of 244% from the year ended January 31, 2009 to the year ended January 31, 2010. For the year ended January 31, 2010, Celio had net sales of Rs. 999.16 lakhs and net loss after tax of Rs. 993.15 lakhs.

(vi) Lee Cooper (India) Private Limited ("Lee Cooper India")

Lee Cooper India is a manufacturer and retailer of lifestyle products, including denims, trousers, jackets, shirts and shoes under the "*Lee Cooper*" brand. Lee Cooper India has a 15 year exclusive license to manufacture and market "*Lee Cooper*" branded products in India in consideration of payment of a royalty of 3% of the annual turnover of LCIPL and a onetime know how fee of approximately Rs. 10.65 crores. The exclusive licensing agreement expires on December 31, 2021.

Lee Cooper India is a wholly owned subsidiary of Indus-League Clothing Limited. On March 26, 2008, the Company had purchased 21.67% and 50% of the then existing equity share capital and preference share capital, respectively of Lee Cooper India from Future Corporate Resources Limited (formerly PFH Entertainment Limited) for a total consideration of Rs. 2,405.00 lakhs. Subsequently, Pantaloon Industries Limited and Manz Retail Private Limited transferred 5,10,000 equity shares for an aggregate consideration of Rs. 959.32 lakhs and 9,00,000 equity shares for an aggregate consideration of Rs. 1,692.92 lakhs, respectively to the Company. Manz Retail Private Limited also transferred 41,00,000 preference shares of Lee Cooper India to the Company for a consideration of Rs. 410 lakhs. Pursuant to the said transfer, the shareholding of the Company in Lee Cooper India increased to 18,00,000 equity shares and 82,00,000 preference shares. Thereafter, the Company has transferred its entire equity and preference shareholding in Lee Cooper India to its subsidiary, Indus-League Clothing Limited for an aggregate consideration of Rs. 5,500.00 lakhs. As of the date of this Draft Red Herring Prospectus Indus-League Clothing Limited holds 100% of both the issued and paid-up equity share capital and the preference share capital, of Lee Cooper India.

In the year of our investment in Lee Cooper India, it operated through 16 exclusive brand outlets, which has changed to one exclusive brand outlet and 246 multi-brand outlets, including Pantaloons and Big Bazaar, as of the date of the Draft Red Herring Prospectus.

The sales and profit of Lee Cooper India have increased at a CAGR of 44% and 46%, respectively from Fiscal 2008 to Fiscal 2010. For Fiscal 2010, Lee Cooper India had aggregate sales of Rs. 8,006.90 lakhs and a profit of Rs. 176.85 lakhs.

We have invested in Lee Cooper India because we believe that there is a large domestic market for branded apparel due to the rising per capita income in India. We have helped Lee Cooper India in redesigning its distribution strategy, which has resulted in reduced inventory levels and operational costs and assisted Lee Cooper India in improving lifecycle management of its brands and merchandise.

(vii) Turtle Limited ("Turtle")

Turtle is a Kolkata based manufacturer, distributor, exporter and retailer of menswear products, such as shirts, T-shirts, trousers and accessories like ties, cufflinks and handkerchiefs. Turtle retails its products under "*Turtle*" and "*Turtle Wood*" brands. In August 2007, it launched its value brand, "*London Bridge*", to provide internationally styled menswear products to customers at affordable prices.

On December 1, 2008, we acquired 26% of the equity share capital of Turtle for Rs. 1,133.44 lakhs. The Company transferred its entire shareholding in Turtle to its subsidiary, Indus-League Clothing Limited in two tranches of 11,40,000 equity shares and 4,20,000 equity shares in January 2010 and February 2010, respectively for an aggregate consideration of Rs. 1,820.00 lakhs. As of the date of this Draft Red Herring Prospectus, our subsidiary Indus-League Clothing Limited holds 26% and of the issued and paid-up equity share capital of Turtle.

In the year of our investment in Turtle, it operated through 31 exclusive "*Turtle Wood*" brand outlets and 850 multi-brand outlets, which have increased to 38 exclusive "*Turtle Wood*" brand outlets, 1,250 multi-brand outlets and 54 *shops-in-shops* outlets, as of the date of the Draft Red Herring Prospectus.

For Fiscal 2009, Turtle had net sales of Rs. 6,179.68 lakhs and net profit after tax of Rs. 122.02 lakhs.

We believe that Future Group has significant potential to help Turtle grow its business by providing access to its retail expertise and nationwide footprint.

2. Home Products

(i) Indus Tree Crafts Private Limited ("Indus Tree")

Indus Tree is a social entrepreneurship engaged in the design, creation, domestic retailing and distribution, and export of a wide range of environmentally and socially sustainable products. Their products include apparel, personal accessories, furniture, handicrafts and home linen and are marketed under the brand "*Mother Earth*". Most of the products sold by Indus Tree are hand crafted by rural artisans. Indus Tree has positioned its stores as a 'one stop solution' for customers aspiring for an environmentally and socially sustainable lifestyle.

Indus Tree was promoted to support rural livelihood and craft. It specializes in products made out of natural materials, such as river grass and banana bark yarned palm leaves. It sources products from a network of over 100 producers groups, providing them with contemporary designs. Indus Tree aims to work with rural craftspeople in a self-sustainable fashion and marketing the products created by them to urban markets all over the world. It is a member of the Fair Trade Forum - India.

We subscribed to 38,000 equity shares of Indus Tree, constituting 43.18% of its issued and paid-up equity share capital, for Rs. 657.59 lakhs through share subscription agreement and shareholders agreements both dated December 1, 2008. Subsequently, we subscribed to a fresh issue of 17,336 equity shares for a consideration of Rs. 299.99 lakhs, thereby increasing our shareholding to 52.53% , which we continue to hold as of the date of this Draft Red Herring Prospectus.

In the year of our investment in Indus Tree, it operated through four exclusive brand outlets and 16 multi-brand outlets, which have increased to four exclusive outlets and 16 multi-brand outlets, including 11 Future Group outlets, as of the date of the Draft Red Herring Prospectus.

The sales and profit of Indus Tree have increased at a CAGR of 128% and 9%, respectively from Fiscal 2009 to Fiscal 2010. For Fiscal 2010, Indus Tree had aggregate sales of Rs. 781.19 lakhs and a loss of Rs. 245.17 lakhs.

We have invested in Indus Tree as we believe it can successfully tap the large market in India and overseas for aesthetic and affordable products created by blending indigenous crafts techniques with contemporary designs. Post our investment, we have helped Indus Tree to identify and recruit an experienced and suitable CEO, who had earlier worked in spearheading growth of one of the Future Group companies. We have also helped Indus Tree to improve its distribution network by providing it with access to the Future Group stores and are currently advising it on re-orientation of the marketing strategy.

3. Food Processing

(i) Capital Foods Exportts Private Limited ("Capital Foods")

Capital Foods is a food processing company having development and manufacturing capabilities in various processed food products, such as instant noodles, sauces, chutneys and microwavable rice and curries. It markets its products under various brands, which include "*Ching's Secret*", "*Smith & Jones*", "*Raji*", "*Mama Marie*" and "*Kaeng Thai*". Capital Foods has pan Indian distribution network of approximately 700 distributors and it also exports products to various countries including United States, United Kingdom, Singapore, Middle East Asia and Australia.

We acquired 40.81% of the paid-up equity share capital of Capital Foods pursuant to a share purchase agreement dated December 15, 2009 with Indivision India Partners for an aggregate consideration of Rs. 4,500.00 lakhs, which we continue to hold as of the date of this Draft Red Herring Prospectus.

For Fiscal 2010, Capital Foods had aggregate sales of Rs. 1,847.15 lakhs and a profit of Rs. 67.01 lakhs.

4. FMCG

(i) Future Consumer Enterprises Limited ("FCEL")

Future Consumer Enterprises Limited is engaged in product development, designing, branding and distribution of FMCG products under brands such as "*Tasty Treat*", "*Clean Mate*", "*Care Mate*", "*Premium Harvest*" and "*Fresh and Pure*". FCEL currently markets its products through stores owned by the Future Group, such as Big Bazar and Food Bazar.

On August 2, 2010, the Company purchased 50,000 equity shares of FCEL, constituting 100% of its issued and paid-up equity share capital, from PRIL for an aggregate consideration of Rs. 5.00 lakhs. Subsequently, FCEL issued 100,00,000 equity shares to the Company on August 6, 2010 for an aggregate consideration of Rs. 16,000 lakhs. As of the date of this Draft Red Herring Prospectus we hold 100% of the issued and paid-up equity share capital of FCEL.

For Fiscal 2010, FCEL had no sales and a loss of Rs. 68,871.00.

(ii) Future Consumer Products Limited ("FCPL")

FCPL is engaged in product development, designing, branding and distribution of FMCG products under the brand "*Sach*". FCPL's products are currently sold through various Future Group outlets.

On July 6, 2010, the Company purchased 9,00,000 equity shares of FCPL, constituting 90% of its issued and paid-up equity share capital, from PRIL for an aggregate consideration of Rs. 2,000.00 lakhs, which the Company continues to hold as of the date of this Draft Red Herring Prospectus.

For Fiscal 2010, FCPL had aggregate sales of Rs. 425.00 lakhs and profit after tax of Rs. 3.53 lakhs.

5. Rural distribution

(i) Aadhaar Retailing Limited ("ARL")

ARL is in the business of rural and semi-urban retail distribution of agricultural and consumer products for personal and household use, including apparel, seeds, fertilizers and FMCG products. ARL is proposing to establish franchisee outlets under *"hub and spoke"* model with existing centers to serve as hubs and the franchisees working as a spoke.

In recognition of the growing market in rural and semi urban areas, we had purchased 70% of the equity share capital of ARL for an aggregate consideration of Rs. 3,018.00 lakhs from its promoter, Godrej Agrovet Limited on March 27, 2008. ARL provides the Future Group with an opportunity to enlarge its footprint into rural retailing. We intend to utilize the retailing expertise within the Future Group to help ARL upgrade and scale its rural retail business by introducing new store formats and innovative selling initiatives.

In the year of our investment in ARL, it operated through 62 exclusive brand outlets, which have changed to 50 exclusive outlets, as of the date of the Draft Red Herring Prospectus.

The sales of ARL have increased at a CAGR of 311% from Fiscal 2008 to Fiscal 2010. For Fiscal 2010, ARL had aggregate sales of Rs. 6,811.81 lakhs and loss of Rs. 3,007.57 lakhs.

We have invested in ARL as we believe that ARL can provide us with an opportunity to participate in rural consumption sector.

6. Others

(i) SSIPL Retail Limited ("SSIPL")

SSIPL is a retailer of Nike branded products, a wholesaler of multi-brand footwear, sportswear and apparel, and a manufacturer and distributor of footwear.

On December 17, 2007, we subscribed to 5.56% of the equity share capital of SSIPL for Rs. 10 crores. As of the date of this Draft Red Herring Prospectus, we held 6.57% of the issued and paid-up equity share capital of SSIPL.

As of the date of this Draft Red Herring Prospectus, SSIPL operated through 109 exclusive brand outlets. For Fiscal 2009, SSIPL had revenue of Rs. 29,885.09 lakhs and profit of Rs. 162.77 lakhs.

In addition to our current Business Ventures, we have fully divested our investment in: (i) Sankalp Retail Value Stores Private Limited on January 28, 2010, (ii) FootMart Retail India Limited on January 21, 2010, and (iii) Star Shopping Centres Private Limited on July 26, 2010.

We continue to evaluate other potential opportunities in sectors including branded apparel, food processing, beverages and home products. We cannot provide any assurances as to when, or whether, any of these opportunities will materialise.

We have also deployed a portion of our capital in short term investments, including debt mutual funds.

Human Resources

Key members of our management team are Kishore Biyani, Managing Director; K. K. Rathi, Chief Investment Officer; Meenakshi Maheshwari, Vice- President (Investments); Gopal Bihani, Vice-President (Finance); Manoj Gagvani, Company Secretary and Head - Legal.

We intend to limit the number of personnel we employ since we expect to actively leverage the skills and resources of the Future Group.

Competition

We believe that a number of other entities will compete with us to access opportunities in consumption-led sectors in India. Our primary competitors are other providers of medium- to long-term capital, including private equity funds, public and private sector banks, mutual funds, financial institutions and other NBFCs. We expect to face competition from other participants in consumption-led sectors in sourcing and securing business opportunities. Our Business Ventures will compete with other companies in the sectors in which they are involved.

Intellectual Property

We have entered into a master license agreement dated August 10, 2010 (the "Master License Agreement") with Future Ideas Company Limited for use of certain trademarks in relation to the Future Group (the "Future Group Trademarks"). In terms of Master License Agreement, Future Ideas Company Limited, which is the proprietor of the Future Group Trademarks, has given us the right to use Future Group Trademarks for our business within India, sub-license them to third parties and authorized us to take adequate steps for their protection. In accordance with the Master License Agreement, we are required to pay a royalty of Rs. 100.00 lakhs p.a. for Fiscal 2011 which increases incrementally to Rs. 244.00 lakhs for Fiscal 2015. The Master License Agreement is valid from August 10, 2010 until terminated in accordance with the terms thereof. For further details of the Master License Agreement, please see the section entitled "History and Certain Corporate Matters - Material Agreements - Master License Agreement between the Company and Future Ideas Company Limited" on page 107.

Properties

Our registered office is located at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060. The property on which our registered office is situated is not owned by us. We have been permitted by PRIL through consent letter dated November 26, 2008 to use the said property for our Registered Office.

Our corporate office is located at Kalpataru Synergy, West Wing, 5th Floor, Vakola, Santa Cruz (East), Mumbai 400 055. The property on which our corporate office is situated is not owned by us. Kshitij Investment Advisory Company Limited has permitted us, through letter dated April 1, 2010, to use a designated portion of the said property for a quarterly fee of Rs. 4.60 lakhs for a temporary period from April 1, 2010 to October 31, 2010.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to prospective investors and are neither designed nor intended to be a substitute for professional legal advice.

Introduction

We are registered with the Department on Non-Banking Supervision, Reserve Bank of India as a non-deposit taking Non-Banking Financial Institution. As such, the business activities of the Company are regulated by RBI regulations applicable to investment companies which are non-public deposit taking NBFCs.

The following are significant regulations that affect the operations of the Company:

I. NBFC Regulations

The Reserve Bank of India Act, 1934

The RBI is entrusted with responsibility of regulating and supervising activities of NBFCs by virtue of power vested in Chapter III B of the Reserve Bank of India Act, 1934 ("RBI Act"). The RBI Act defines an NBFC under Section 45-I (f) as:

- "a financial institution which is a company;
- a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;
- such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

"Financial institution" and "non- banking institution" have been defined under sections 45 I (c) and 45 I (e) of the RBI Act, respectively.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 8, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC (a) if its financial assets are more than 50% of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

In terms of Section 45-IA of the RBI Act, no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("CoR"). The NBFC must have a net owned fund of Rs. 200 Lakhs to be considered for the grant of CoR by the RBI. The RBI also has the power to exempt certain NBFCs from the requirement of obtaining the CoR. Further, every NBFC is required to submit to the RBI a certificate, latest by June 30 every year, from its statutory auditor stating that it is engaged in the business of non-banking financial institution requiring it hold a CoR.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is an NBFC not accepting/holding public deposit ("NBFC-ND") or not. Further, no appropriation can be made from the fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to RBI within 21 days from the date of withdrawal.

Maintenance of liquid assets

In exercise of powers conferred under section 45NC read with section 45-IB (1) of the RBI Act, the RBI through notification no.DFC.121/ED(G)-98 dated January 31, 1998,as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

The RBI vide its circular RBI 2008-09/329 dated December 23, 2008 allowed systemically important NBFCs which are non- deposit-taking ("NBFCs-ND-SI") to raise short- term foreign currency borrowings, under the approval route, subject to certain conditions. NBFCs-ND-SI with assets size of Rs. 10,000 Lakhs and above were earlier permitted to raise funds by issuing perpetual debt instruments that could be included in their Tier 1 capital by the RBI circular RBI/2008-09/253 dated October 29, 2008.

Prudential Norms

The RBI has issued the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended by notification no. DNBS (PD) CC No.178/03.02.001/2010-2011 dated July 1, 2010 (the "Prudential Norms Directions"), which contain detailed directions on prudential norms for NBFCs-ND. The Prudential Norms Directions, *inter alia*, prescribe guidelines regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The Prudential Norms Directions are not applicable to NBFCs being investment companies provided that such NBFC:

- is holding investments in the securities of its group/ holding/ subsidiary companies where the book value of such holding is not less than 90% of its total assets and it is not trading in such securities,

- is not accepting/holding public deposit, and

- is not a systemically important non-deposit taking NBFC.

In terms of the Prudential Norms Directions, all NBFCs-ND with an asset size of Rs. 10,000 Lakhs or more as per its last audited balance sheet will be considered as a systemically important NBFC-ND.RBI circular RBI/2008-09/491, dated June 4, 2009 has clarified that once an NBFC reaches an asset size of Rs. 10,000 Lakhs or above, it shall come under the regulatory requirement for NBFCs-ND-SI as stated above, despite not having such assets as on the date of last balance sheet. Therefore, all non-deposit taking NBFCs may comply with RBI regulations issued to NBFC-ND-SI from time to time, as and when they attain an asset size of Rs. 10,000 Lakhs, irrespective of the date on which such size is attained.

Asset Classification

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;

- Sub-standard assets;

- Doubtful assets; and

- Loss assets.

Further, the class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for the upgradation.

A NBFC-ND is required to make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

Exposure Norms

The Prudential Norms Directions prescribes credit exposure limits for financial institutions in respect of the loans granted and investments undertake by an NBFC-ND-SI. A NBFC-ND-SI shall not lend money exceeding 15% of its owned funds to any single borrower and the lending to any single group of borrowers shall not exceed 25% of the NBFC-ND-SI's owned fund. As regards the investments, a NBFC-ND-SI shall not invest in the shares of a company exceeding 15% of its owned fund, while the investment in the shares of a single group of companies shall not exceed 25% of its owned funds. The loans and investments of NBFC-ND-SI taken together shall not exceed 25% of its owned funds to or in a single party and 40% of its owned funds to or in a single group of parties. However, the prescribed ceilings shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly, may make an application to the RBI for modifications in the prescribed ceilings. Further, every NBFC-ND-SI is required to formulate a policy in respect of exposures to a single party/a single group of parties.

Capital Adequacy Norms

As per the Prudential Norms Directions, every NBFC-ND-SI is subject to capital adequacy requirements. A minimum capital ratio consisting of Tier I and Tier II capital of not less than 10% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Such ratio was required to be at least 12% by March 31, 2010 and shall be at least 15% by March 31, 2011. Also, the total of Tier II capital of non-deposit taking non-banking financial company shall not exceed 100% of Tier I capital.

Asset Liability Management:

The RBI has prescribed the Guidelines for Asset Liability Management ("ALM") System in NBFCs ("ALM Guidelines") that are applicable to all NBFCs. The NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting the criteria ,*inter alia*, of asset base of Rs. 10,000 Lakhs, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including Asset Liability Committee ("ALCO") and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It is provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and reviews its functioning periodically. The ALM Guidelines mainly address Liquidity and Interest Rate risks.

In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/ 31 days time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap up to one year period should not exceed 15% of the cumulative cash outflows up to one year period. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit, should be shown by a footnote in the relevant statement.

Keeping in mind leveraged investments, and asset liability mismatches resulting from use of short term sources to fund NBFC activities, the RBI Guidelines dated August 1, 2008 have introduced a system of reporting for NBFCs-ND-SI in a prescribed format. The return is to comprise:

- Statement of short term dynamic liquidity
- Statement of structural liquidity and
- Statement of Interest Rate Sensitivity.

Distribution of Mutual Funds products:

In order to strengthen the NBFC sector, the RBI vide its circular RBI/2006-07/195 DNBS (PD) CC No. 84/03.10.27/2006-07 allowed NBFC to diversify in their business. The NBFCs maintaining minimum net owned fund of Rs. 10,000 Lakhs, earning net profit as per the last two years audited balance sheet, maintaining CRAR of 10 %(in the case of NBFC-ND) and the percentage of net NPA to net advances of the NBFCs are not more than three %are eligible to apply to market and distribute mutual fund products, as agents of mutual funds, with the prior approval of RBI for an initial period of two years and a review thereafter. From the operational perspective the NBFCs are required to adhere with SEBI guidelines/regulations, including their code of conduct, for distribution of mutual fund products.

Guidelines on Fair Practices Code:

The RBI has prescribed guidelines on fair practices (the "Fair Practices Code") that should be framed and approved by the Board of Directors of all NBFCs. The Fair Practices Code further requires that it should be published and disseminated on the website of the NBFC. The Fair Practices Code includes the following requirements, which should be adhered to by NBFCs:

- Inclusion of necessary information affecting the interest of the borrower in the loan application form.
- Devising a mechanism to acknowledge receipt of loan applications and establishing a time frame within which such loan applications shall be disposed.
- Conveying, in writing, to the borrower the loan sanctioned and terms thereof. The acceptance of terms should be kept in its record by the NBFC.
- Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively.
- Refraining from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement.
- Not resorting to undue harassment in the matter of recovery of loans.
- The Board of Directors of the NBFC should lay down the appropriate grievance redressal mechanism.
- Periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management, a consolidated report whereof may be submitted to the Board of Directors.

KYC Guidelines

The RBI has extended the KYC guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on KYC and Anti-Money Laundering measures is put in place. The KYC policies are required to have the following key elements, namely, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence of KYC guidelines by the persons authorized by NBFCs' including brokers/ agents, due diligence of persons authorized by NBFCs' including brokers/ agents, customer service in terms of identifiable contact with persons authorized by NBFCs' including brokers/ agents.

Corporate Governance Guidelines

Pursuant to a RBI Circular dated May 8, 2007 and the Master Circular – Corporate Governance (No. DNBS (PD) CC No. 156 / 03.10.001 / 2009-10), all NBFC-ND-SI are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure and transparency and connected lending. In furtherance of that, the RBI vide its circular RBI/2008-09/194 dated September 28, 2008 has advised all NDFC-ND, with asset size of Rs 5,000 Lakhs and above but less than Rs 10,000 Lakhs to submit a quarterly return on important financial parameters, within a period of one month from the close of the quarter. The procedure of filing the same online is given by the RBI circular RBI/2008-09/397 dated March 02, 2009.

The RBI has also issued directions to the auditors of NBFCs vide its notification RBI/2008-09/193 dated September 23, 2008 (in supersession of the 1998 directions). The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, as amended and consolidated in the Master Circular - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions (No. DNBS(PD)CC No.146 /03.02.001/2009-10) has been issued to safeguard public interest and for the purpose of proper assessment of books of accounts of NBFCs.

According to the RBI guidelines dated August 1, 2008, NBFCs-ND-SI are mandated to make certain additional disclosures in their Balance Sheet from the year ending March 31, 2009 relating to:

- Capital to Risk Assets Ratio (CRAR)
- Exposure to real estate sector, both direct and indirect; and
- Maturity pattern of assets and liabilities

Rating by NBFCs

The RBI now mandates, vide its notification RBI /2008-09 /372, dated February 04, 2009 that all NBFCs (both deposit taking and non-deposit taking) with asset size of Rs 10,000 Lakhs and above will furnish information to the RBI, about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating.

Norms for excessive interest rates

In addition, the RBI had introduced RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In furtherance of that, the RBI has now issued certain directions vide its notification RBI/2008-09/337 dated January 02, 2009. According to these directions, the Board of each NBFC is required to adopt an interest rate model, which would determine the rate of interest charged for loans and advances. Disclosure of such rate of interest and approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers is necessary.

Guidelines on Base Rate

The RBI has, by its circular (RBI/2009-10/390/ DBOD No. Dir. BC 88/13.03.00/2009-10) dated April 9, 2010, effected a change from the system of benchmark prime lending rate to the system of base rate ("Base

Rate") with respect to loans made by scheduled commercial banks (other than regional rural banks). The Base Rate system will has come into effect from July 1, 2010. All categories of loans are required to be priced only with reference to the Base Rate; however, advances under the Differential Rates of Interest Scheme, loans to the banks' own employees and loans to the banks' depositors against their deposits may be priced without reference to the Base Rate. In terms of this circular, banks may not resort to lending at an interest rate below the Base Rate. Banks are required to review the Base Rate at least once every quarter with the approval of their boards of directors or their asset liability management committees.

II. Dealing in Securities

Securities regulation in India takes place under the provisions of the SCRA, SEBI Act, the Depositories Act, 1996 and the rules and regulations promulgated thereunder.

SCRA

The SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts.

The bye-laws normally provide *inter alia* for:

- the opening and closing of markets and the regulation of the hours of trade;
- the fixing, altering or postponing of days for settlements;
- the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

SEBI Act

Pursuant to Section 12 of the SEBI Act, and the rules, regulations and guidelines issued by SEBI, a stockbroker, sub-broker and depository participant or any other intermediary associated with the securities market, may buy, sell or deal in securities only after obtaining a valid certificate of registration from SEBI in accordance with the applicable regulations.

III. Insider Trading

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time ("Insider Trading Regulations") govern the law with respect to insider trading in India. The Insider Trading Regulations *inter alia* prohibit all insiders from dealing in securities of a listed company when the insider is in possession of unpublished price sensitive information ("UPSI"). It further prohibits an insider from communicating, counselling or procuring, directly or indirectly, any UPSI to any person who while in possession of such UPSI is likely to deal in such securities.

Information is said to be price sensitive if it is likely to, directly or indirectly, materially affect the price of the securities of the company to which it relates. Under the Insider Trading Regulations, the concept of an "insider" is related to those of a connected person and a deemed connected person. A person is said to be connected to a company when he or she is a director, employee or officer in the company or stands in a professional or business relationship with the company and when he or she may reasonably be expected to have access to UPSI and includes *inter alia* market intermediaries, Merchant Bankers, share transfer agents, registrars to an issue, debenture trustees, brokers, Portfolio Managers, investment advisors.

The Insider Trading Regulations further provide that all listed companies and organisations associated with the securities market including *inter alia* intermediaries as defined under the SEBI Act, asset management companies, trustees of mutual funds etc. should frame a code of internal procedures and conduct based on the Model Code of Conduct specified under the Insider Trading Regulations.

IV. Applicable Foreign Investment Regime

FEMA Regulations:

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI which is regulated by the FIPB.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As laid down by the FEMA Regulations, no prior consent and approval is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

Foreign Direct Investment:

FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Consolidated Foreign Direct Investment Policy (Circular no. 1 of 2010) ("FDI Policy") issued by the DIPP on March 31, 2010. The FDI Policy permits Indian companies to issue capital under the FDI route. "Capital" as defined under the FDI Policy means equity shares, compulsorily and mandatorily convertible preference shares and fully, compulsorily and mandatorily convertible debentures.

FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route (other than in prohibited sectors) may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following relevant caps are presently applicable for FDI in NBFCs:

(a) 100 % FDI investments are allowed under the automatic route in the following NBFC activities:

- Merchant banking;

- Underwriting;
- Portfolio Management Services;
- Investment Advisory Services;
- Financial Consultancy;
- Stock Broking;
- Asset Management;
- Venture Capital;
- Custodian Services;
- Factoring;
- Credit rating Agencies;
- Leasing & Finance;
- Housing Finance;
- Forex Broking;
- Credit card business;
- Money changing Business;
- Micro Credit; and
- Rural Credit

(b) Minimum Capitalisation Norms for fund based NBFCs:

- For FDI up to 51% - US$ 0.5 million to be brought upfront
- For FDI above 51% and up to 75%- US $ 5 million to be brought upfront
- For FDI above 75%- US $ 50 million out of which US $ 7.5 million to be brought upfront and the balance in 24 months

(c) Minimum capitalization norm of US $ 0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment

(d) NBFCs that are 100% foreign-owned and have a minimum capitalization of USD 50 million can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital

(e) Joint venture operating NBFCs that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norms as indicated herein.

(f) FDI in the NBFC sector is put on automatic route subject to compliance with guidelines of the RBI in this regard. RBI would issue appropriate guidelines in this regard.

Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

V. Laws relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

We are required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of the Company

The Company was originally incorporated as Subhikshith Finance & Investments Limited on July 10, 1996 and commenced business on August 2, 1996 in Tamil Nadu. The RBI granted a certificate of registration dated March 9, 1998 permitting the Company to carry on the business of a NBFC as a "non-deposit taking company." The Company became a private limited company on August 10, 2001 and its name was consequently changed to Subhikshith Finance & Investments Private Limited ("Subhikshith"). The Registrar of Companies, Tamil Nadu issued a fresh certificate of incorporation on September 17, 2001. The RBI granted a certificate of registration dated June 18, 2007 consequent to the change of name permitting the Company to carry on the business of a NBFC as a "non-deposit taking company." The Company was engaged in the business of granting loans and financing.

On July 14, 2007 Pantaloon Future Ventures Limited ("PFVL") (name has been changed to Future Value Retail Limited on November 16, 2009) the wholly owned subsidiary of Pantaloon Retail (India) Limited acquired 2,93,700 Equity Shares of face value Rs. 10 each, constituting 100% of the total issued, subscribed and paid-up share capital of Subhikshith through a share purchase agreement dated July 3, 2007 between PFVL, R. Sankar, V. Thirumalai and Subhikshith . In consideration of the purchase, PFVL paid an aggregate sum of Rs. 58,00,000 Lakhs to R. Sankar and V Thirumalai. Pursuant to the acquisition, Subhikshith became a wholly owned subsidiary of PFVL.

The Company changed its name from Subhikshith Finance & Investments Private Limited to Future Ventures India Private Limited through a special resolution passed at the EGM of the Company held on July 19, 2007. The fresh certificate of incorporation consequent on change of name was granted by the ROC to the Company on August 9, 2007. Further, upon ceasing to be a private limited company, the word private was deleted through a special resolution at the EGM of the Company held on August 10, 2007. The fresh certificate of incorporation consequent to the change of name was granted by the ROC to the Company on September 7, 2007.

Changes in the Registered Office

Date of the Resolution	Details of Change	Reasons for Change
May 6, 2002	The registered office of the Company was changed from "Usha Sadan" 165, Kutchery Road, Mylapore, Chennai 600 004 to New no. 17, (old No. 9), West Circular Road, Mandavelipakkam, Chennai 600 028	The changes in the registered offices were made to achieve greater operational efficiency.
August 17, 2007	The registered office of the Company was changed from New no. 17, (old no. 9), West Circular Road, Mandavelipakkam, Chennai 600 028 to 202 (old no. 742) Anna Salai, Chennai 600 002	The changes in the registered offices were made to achieve greater operational efficiency.
February 15, 2008	The registered office of the Company was changed from 202 (old no. 742) Anna Salai, Chennai 600 002 to Door No. 6/18, Plot No. 18/1, Nanganallur Co-operative Building Society, 17th Street, Nanganallur, Chennai 600 061	The changes in the registered offices were made to achieve greater operational efficiency.
November 26, 2008	The registered office of the Company was changed Door No. 6/18, Plot No. 18/1, Nanganallur Co-operative Building Society, 17th Street, Nanganallur, Chennai 600 061 to Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060*	The changes in the registered offices were made to achieve greater operational efficiency.

**The shifting of the registered office of the Company from the State of Tamil Nadu to the State of Maharashtra was allowed by an order dated February 24, 2009 passed by the Company Law Board, Chennai .The order dated February 24, 2009 was taken on record and the ROC Mumbai, issued a certificate of registration on April 28, 2009.*

Main Objects of the Company

The main objects as contained in the Memorandum of Association include:

1. *To carry on the business of an investment and holding company and to subscribe to the shares and securities being issued by companies and to generally do all activities and enter into all kinds of financial arrangements so as to enable mobilising of funds by and for such companies and ensuring liquidity for the investor investing in shares and securities issued by such companies and to invest money of the Company (or any of its subsidiaries) in any investments and to hold, sell or otherwise deal with investments or currencies or other financial assets and to carry on the business of investment company.*

2. *To vary the investments and holdings of the Company as may from time to time be deemed desirable.*

3. *To subscribe for, absolutely or conditionally, purchase or otherwise acquire and to hold, dispose of and trade in shares, stocks and securities of any other company whether Indian or foreign.*

4. *To carry on the business of financiers, that is to say, to lend money either with or without security to such person or persons, firms, associations, companies, or bodies corporate and upon such terms and conditions as the Company thinks fit but the Company shall not do banking as defined in the Banking Regulation Act, 1949.*

5. *To mobilise capital from financial investors and public markets and to manage the investment of such funds in business opportunities in India.*

The objects incidental or ancillary to the attainment of the above main objects *inter alia* include:

To promote or assist in promoting any company or companies in any part of the world and to subscribe shares therein or other securities thereof and to take part in the management, supervision or control of such businesses or operations of such companies pursuant to any shareholder agreements, or any other agreements or otherwise and to exercise any rights available to the Company pursuant to such agreements or otherwise and to appoint and remunerate any directors, administrators or accountants or other experts or agents for consideration or otherwise or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

Amendments to the MOA

Date of shareholders' approval	Amendment
November 1, 1997	A new clause, numbered as Clause 11, was added after Clause 10 of 'Other Objects'. 11. To act as "Recovery Agents" to any individual, firm, association, body corporate, company, government, financial institutions, banks or any other person in connection with any sum due by an individual, firm, association, body corporate, company, government, financial institutions, banks or any other or any other person to any one of the above."
August 10, 2007	V (a) The Authorised Share Capital of the Company shall be Rs. 5,00,00,000 (Rupees Five Hundred Lakhs only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each, with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company. (b) Minimum Paid up capital of the Company shall be Rs. 5,00,000 (Rupees Five Lakhs

Date of shareholders' approval	Amendment
	Only).
October 11, 2007	V (a) The Authorised Share Capital of the Company shall be Rs. 30,00,00,00,000 (Rupees Three Thousand Crores only) divided into 300,00,00,000 (Three Hundred Crores) Equity Shares of Rs. 10 (Rupees Ten) each, with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company. (b) Minimum Paid up capital of the Company shall be Rs. 5,00,000 (Rupees Five Lakhs Only).
February 5, 2008	V (a) the Authorised Share Capital of the Company shall be Rs. 5000,00,00,000 (Rupees Five Thousand Crores Only) divided into 500,00,00,000 (Five Hundred Crores) Equity Shares of Rs. 10 (Rupees Ten) each, with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association and to vary, modify, amalgamate or abrogate any rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company. (b) Minimum Paid up capital of the Company shall be Rs. 5,00,000 (Rupees Five Lakhs Only)
February 5, 2008	The existing sub-clause 1 and 2 under Clause III(A) of the main objects was substituted. The words *'and to act as Trustees and Managers of Financial portfolios for individuals, association of persons or bodies corporate, trust and do all acts necessary in carrying on such activity'* after the word 'foreign' in the existing sub-clause 3 under Clause III(A) of the main objects was deleted. The existing sub-clause 4 and 5 under Clause III(A) of the main objects was substituted. The existing sub-clauses 6 and 7 under Clause III(A) of the main objects were deleted. A sub-clauses was inserted before the existing sub-clause 1, which was renumbered as sub-clause 1A, under Clause III(B) of the incidental or ancillary objects. Four new sub-clauses were inserted after sub-clause 1A under Clause III(B) of the incidental or ancillary objects. One new sub-clause was inserted after existing sub-clause 2 under Clause III(B) of the incidental or ancillary objects. One new sub-clause was inserted after existing sub-clause 7 under Clause III(B) of the incidental or ancillary objects.
November 26, 2008	Clause II of the MOA was amended, vide special resolution passed at the EGM held on November 26, 2008 and pursuant to an order dated February 24, 2009 passed by the Company Law Board, Chennai, on account of the Registered Office of the Company being

Date of shareholders' approval	Amendment
	shifted to Maharashtra. The amended Clause II of the MOA is as follows: "The Registered Office of the Company will be situated in the State of Maharashtra."

Major Events

The table below sets forth some of the major events and key milestones in the history of the Company:

Year	Milestones
1996	Incorporated as Subhikshith Finance & Investments Limited.
1997	Granted certificate of registration by the RBI to carry on the business of an NBFC as a "non-deposit taking company."
2001	Conversion from a public limited company to a private limited company.
2007	• RBI grants a fresh certificate of registration to carry on business of a NBFC as a "non-deposit taking company" on change of name to Subhikshith Finance & Investments Private Limited. • Subhikshith Finance & Investments Private Limited becomes a wholly-owned subsidiary of Pantaloon Future Ventures Limited. The name of the Company is changed to Future Ventures India Private Limited. • The Company is converted to a public limited company and the name of the Company is changed to Future Ventures India Limited. • RBI grants a fresh certificate of registration to carry on the business of a NBFC as a "non-deposit taking company" on change of name to Future Ventures India Limited. • The Company enters into agreements to purchase securities of Biba Apparels Private Limited, Sankalp Retail Value Stores Private Limited and SSIPL Retail Private Limited.
2008	• The Company enters into agreements to purchase securities of Footmart Retail (India) Limited, Convergem Communications (India) Limited, Aadhaar Retailing Limited, Indus-League Clothing Limited, Lee Cooper India Private Limited, Celio Future Fashions Limited, Indus Tree Crafts Private Limited, AND Designs India Limited, Turtle Limited subject to completion of conditions precedent. • The Company enters into a Consulting and Advisory Services Agreement with Future Capital Holdings Limited. • The Company opts for conversion of 7,000 Fully Convertible Debentures into Equity Shares of Biba Apparels Private Limited.
2009	• The Company enters into agreement for purchase of securities of Star Shopping Centres Private Limited. • The registered office of the Company is shifted from the State of Tamil Nadu to the State of Maharashtra. • The Company made investments in the equity shares and preference shares of Lee Cooper India Limited. • The Company increases its stake in Indus League Clothing Limited and AND Designs India Limited. • The Company made investments in Holii Accessories Private Limited.
2010	• Company has transferred its entire shareholding in Celio Future Fashions Limited, Lee Cooper India Limited and Turtle Limited in favour of Indus League Clothing Limited, a subsidiary of the Company. • Company has transferred its entire shareholding in Star Shopping Centres Private Limited in favour of Future Realtors (India) Private Limited and divested its stake in the aforesaid company in July, 2010. • Company transferred its entire shareholding in Sankalp Retail Value Stores Private Limited and Foot Mart Retail India Limited to Juhi's Idea Mercantile Private Limited and Blessings

Year	Milestones
	Mercantile Private Limited, respectively. • The Company made investments in the equity shares of Capital Foods Exportts Private Limited, Future Consumer Enterprises Limited and Future Consumer Products Limited, and increased its shareholding in Indus League Clothing Limited and Indus Tree Crafts Private Limited. • The Company issues Equity Shares increasing the paid-up equity share capital of the Company by 45,740 Lakhs.

Subsidiaries

The Company has six subsidiaries. For details regarding the Subsidiaries of the Company, please see the section entitled "Subsidiaries" at page 123.

Promoter

For details, regarding the Promoters, please see the section entitled "Promoters and Promoter Group" on page 134.

Shareholders

For details regarding the shareholders of the Company, see the section entitled "Capital Structure" on page 29.

Disclosure of acquisitions

The Company shall inform the shareholders of any acquisition undertaken by it through a public announcement and informing the stock exchanges on which the Equity Shares are listed. On consummation of a successful acquisition, the following details of the target company shall be disclosed in the announcements regarding the acquisition and to the stock exchanges:

(i) material details of the business undertaken by the target company, except the details which are either confidential or the disclosure whereof may be prejudicial to the interests of the target company;
(ii) relationship, if any, of the target company with the Promoters and/ or Promoter Group; and
(iii) the impact of the acquisition on the Company.

Material Agreements

Capitalised terms not defined herein have the meaning ascribed to such terms in the relevant agreements.

A. Consulting and Advisory Services Agreement

The Company and Future Capital Holdings Limited (the "Consultant") (the "Parties") have entered into a Consulting and Advisory Services Agreement dated February 20, 2008, amended through an agreement dated August 10, 2010 (together referred to as the "Consulting Agreement") which is effective for a term of three years from August 10, 2010 and shall be automatically renewed at the same terms as the Consulting Agreement for further successive periods of three years each, unless terminated in accordance with the Consulting Agreement. The Consultant is a registered NBFC. The Company has engaged the services of the Consultant to provide certain consulting and advisory services, proposed to be undertaken by the Company in accordance with the terms of the Consulting Agreement.

In terms of the Consulting Agreement, the Consultant shall provide services pertaining to research services and recommendations regarding Treasury Assets; support source mobilization in any of its investee companies; advise on mergers and acquisitions; advice on suitable and efficient exits to be made by the Company from the investee companies and provide progress reports; conducting due diligence in relation to operational, commercial, financial, and tax matters based on specific request from the company; and updates in relation to all treasury assets. In terms of the Agreement, the services provided by the Consultant are recommendatory in nature. The Consultant shall be entitled to a service charge which shall not exceed a sum equivalent to 1% p.a. of the Adjusted Net Worth of the Company in aggregate together with the charges payable by the Company towards mentoring services to be availed from Pantaloon Retail (India) Limited. Further, the Consultant's right to receive the service fee shall commence only from such date that the Adjusted Net Worth of the Company first exceeds Rs. 1,000 crores.

The Consultant shall be entitled to receive the fees and other payments due to the Consultant up to and including the date on which the Consulting Agreement is terminated, irrespective of whether such termination is termination for cause or termination by mutual consent.

The Consultant, its officers, directors and agents shall not be liable for any loss suffered by the Company in connection with or in relation to any service provided by it under the Consulting Agreement or any recommendation made by the Consultant unless the same is attributable to fraud or criminal misconduct by the Consultant. Additionally, the Consultant shall not be liable for the act or omissions of any person employed by it or by any agent, delegatee or sub-contractor that it appoints to provide any of the services on its behalf or in its place, provided the Consultant has exercised due diligence and care in finalising such employment.

Each of the Company and the Consultant has agreed to indemnify the other in respect of liability, loss, etc., arising from the engagement under, and work performed pursuant to the Consulting Agreement, up to a maximum limit of the Service Fee received or payable, as the case maybe, for the period during which the loss has been suffered by the Company/Consultant.

In the event of any dispute the Parties have agreed to resolve such dispute amicably between themselves within a period of 180 days from the date of the notice of dispute, failing which, the dispute shall referred for arbitration by a panel of three arbitrators and the arbitration shall be held in accordance with Arbitration and Conciliation Act, 1996 in Mumbai, India.

B. Mentoring Services Agreement

The Company and Pantaloon Retail India Limited (the "Mentor") (the "Parties") have entered into a Mentoring Services Agreement dated August 10, 2010 (the "Mentoring Agreement") which is effective for a term of 10 years from August 10, 2010 and shall be automatically renewed at the same terms as the Mentoring Agreement for further successive periods of 10 years each, unless terminated in accordance with the terms of the Mentoring Agreement.

In terms of the Mentoring Agreement, the Mentor has agreed to provide certain mentoring services including *inter alia* information on consumer behavior, advice on business strategy development of optimum business plans for the Business Ventures. Additionally, on request by the Company, the Mentor may also provide assistance in relation to the Company's exit strategies in relation to the investments in the Business Ventures, Company's strategy for investment in consumption-led sectors and undertaking business due diligence on business opportunities. In terms of the Mentoring Agreement, the services provided by the Mentor are recommendatory in nature and non-binding on the Company and the Business Ventures.

For the aforesaid services, the Company has agreed to pay an amount not exceeding 1% p.a. of the Adjusted Net Worth of the Company and shall be payable quarterly in arrears. Further, the Mentor's right to receive the Assistance Fee shall commence only from such date that the Adjusted Net Worth of the Company first exceeds Rs. 1,000 crores. The Mentor shall be entitled to receive Assistance Fees due to the Mentor up to and including the date on which the Mentoring Agreement is terminated, irrespective of whether the termination is voluntary termination or termination by mutual consent.

In the event of any conflict which may result from both the Company and any other Future Group entity being interested in a business opportunity, such conflict shall be resolved through consultation with one independent director assigned for such consultation by each of the Mentor and the Company.

As per the Mentoring Agreement, the Mentor, its officers, directors and agents shall not be liable for any loss suffered by the Company in connection with or in relation to any service provided by it under the

Mentoring Agreement or any recommendation made by the Mentor unless the same is attributable to fraud or criminal misconduct by the Mentor. Additionally, the Mentor shall not be liable for the act or omissions of any person employed by it or by any agent, delegatee or sub-contractor that it appoints to provide any of the services on its behalf or in its place, provided the Mentor has exercised due diligence and care in finalising such employment.

Each of the Company and the Mentor has agreed to indemnify the other in respect of liability, loss, etc., arising from the engagement under, and work performed pursuant to the Mentoring Agreement, up to a maximum limit of the Assistance Fee received or payable, as the case maybe, for the period during which the loss has been suffered by the Company or the Mentor as the case maybe.

In the event of any dispute the parties to the Mentoring Agreement have agreed to resolve such dispute amicably between themselves within a period of 180 days from the date of the notice of dispute, failing which, the dispute shall referred for arbitration. The arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1996 and the place of arbitration shall be Mumbai.

C. Securities Purchase Agreement ("SPA") between the Company and Future Capital Holdings Limited for the purchase of shares of BIBA Apparels Private Limited

The Company entered into a SPA with Future Capital Holdings Limited on October 26, 2007 to purchase 27,964 equity shares of Rs. 100 each by pursuant to conversion of 5,000 Fully Convertible Debentures of Rs. 10,000 each and 7,000 fully convertible debentures of Rs. 10,000 each ("FCD's"), of BIBA Apparels Private Limited ("BIBA") ("Sale Securities") for a consideration aggregating to Rs. 13.01 Lakhs.

As required under the SPA, the Company has executed and delivered a deed of adherence to BIBA as prescribed in the investment agreement dated February 8, 2007 ("Investment Agreement") entered among the Seller, BIBA and BIBA's promoters and therefore, has all the rights provided under the Investment Agreement. On September 26, 2008, the Company converted its FCD's into 32,336 equity shares of BIBA.

D. Share Subscription Agreement between the Company, SSIPL Retail Private Limited and others

Rishab Soni, Ashok Mathur, Sunil Taneja ("SSIPL Promoters"), SSIPL Retail Private Limited ("SSIPL") and the Company (collectively, the "Parties") have entered into a share subscription agreement dated December 17, 2007 (the "SSA"). In terms of the SSA, the Company has subscribed to 12,18,394 equity shares of SSIPL constituting 5.56% of the post-issue paid-up equity share capital of SSIPL at a price of Rs. 82.08 per equity share aggregating to Rs. 1,000 Lakhs .

The SSA was entered into by the Parties to record their respective representations, warranties, undertakings and covenants in respect of the issue and allotment to, and subscription by, the Company of the equity shares of SSIPL. The SSA contains various customary clauses relating to representations, warranties, covenants and indemnification.

Addendum to the Share Subscription Agreement

On December 17, 2007 the SSIPL Promoters, SSIPL and the Company entered into an addendum to the SSA (the "ASSA") to supplement the SSA. The Parties agreed that in lieu of the subscription price paid under the SSA by the Company, SSIPL shall also issue to the Company one fully paid-up investor performance warrant convertible into certain fully paid equity shares of SSIPL ("IPW"). The equity shares issued to the Company on conversion of the IPW shall be fully paid, free from all encumbrances and rank *pari passu* in all respects with outstanding equity shares of SSIPL. In terms of the ASSA, the issuance of the IPW was subject to the fulfillment of conditions precedent on or before December 31, 2007. The Company did not exercise their right to convert the IPWs and the same have lapsed.

E. ***Securities Purchase cum Shareholders Agreement ("SPA") between the Company and Aadhaar Retailing Limited***

The Company entered into a SPA with Aadhaar Retailing Limited ("ARL") and Godrej Agrovet Limited ("GAL") on March 27, 2008 to purchase 70 % of the equity share capital of ARL from GAL for the total consideration of Rs. 301 Lakhs.

The Company has retained the control over the management by retaining the right to appoint four directors out of the maximum strength of six directors. The Company has also agreed that ARL is required to repay the total loan of Rs. 4,700 Lakhs to GAL within 90 days of closing of the SPA. In the event, ARL fails to repay the sum within the stipulated period, the Company is required to infuse 70 % of the total debt outstanding failing which ARL is required to repay the loan with 15% interest per annum. As of March 31, 2010, the total loan amount outstanding is Rs. 1, 2480 Lakhs to be paid by ARL.

During the term of the SPA, it is agreed that the parties are not allowed to transfer their shares to any third party without the prior approval of the other shareholders except to their affiliates. Both GAL and the Company have to offer shares to the other before selling the shares to a third party. The parties have also agreed that no encumbrances shall be created on the shares without the prior approval of the other shareholder.

The Company has a right to incorporate its name in the brand name of ARL provided that "Godrej" is retained as a part of the brand name of ARL. In the event the shareholding of the Company in ARL falls below 26 per cent, GAL may require ARL to remove the name of the Company from the brand name of ARL.

In the event GAL or its associates proposes to transfer their shares to a third party, the Company has a right of first refusal on the sale of such shares. If the Company refuses to buy the shares on the exercise of the right of first refusal and at the same time finds a buyer for its shares who offers a higher price than the third party, GAL or its associates, as the case may be, will have a right to tag along their offered shares along with the shares of the shares of the Company.

The parties have agreed that in case of any material change in control of the shareholder not resulting from an IPO or a purchase on exchange, the other shareholder will have a right to terminate the SPA. Further, such right would accrue when the purchase on exchange results in effective takeover of the shareholder.

The SPA contains various customary clauses relating to representations, warranties, covenants and indemnification.

F. ***Investment Agreement between the Company and Mukesh Sawlani, Anita P Dongre and Meena Y Sehra and AND Designs India Limited***

The Company entered into an agreement ("Investment Agreement") with Mukesh Sawlani, Anita P Dongre and Meena Y Sehra (collectively referred as the "Promoters") and AND Designs India Limited ("ADIL") on November 30, 2008 for acquisition of 26,580 shares of ADIL constituting 15.15 % of the share capital of ADIL for the total consideration of Rs. 323 Lakhs. Pursuant to the Investment Agreement, the Company has also agreed to subscribe to Fully Convertible Debentures ("FCDs") issued by ADIL at Rs. 2,50,000 per FCDs and which shall be allotted by ADIL on receipt of subscription price of Rs. 250 Lakhs from the Company. The FCDs have to be converted into equity shares of ADIL by June 30, 2009 extendable up to September 30, 2009.

Upon expiry of the term of FCDs, equity shares out of the conversion of FCDs together with the subscription shares shall not exceed 40 % of the share capital of ADIL and the conversion is envisaged to result into issue of not more than 17,539 equity shares at a price of not less than Rs. 1,425 per share at minimum valuation conducted by an independent valuer and issue of not less than 9,739 equity shares at Rs. 2,567 per share at maximum valuation. Consequently, at minimum valuation which is agreed to be Rs. 250 Lakhs, the Company is expected to hold 22.863% (44,119 equity shares) of the share capital of ADIL and at maximum valuation which is agreed to be Rs. 350 Lakhs, the Company is expected to hold 19.614 % (36,319 equity shares) of the share capital of ADIL. At no time, the shareholding of the Company in ADIL shall exceed 40%.

Accordingly, the Company exercised the option on September 30, 2009 and converted the FCDs into 17,539 equity shares at a conversion price of Rs. 1,425 per equity share. Consequently, Company's shareholding increased from 15.15% to 22.86%.

The control over the board of ADIL is to be maintained in terms of the shareholding maintained in ADIL. If the Company maintains the shareholding of 10% in ADIL, it is entitled, at all times, to nominate at least one director on the board and committees of ADIL and its subsidiaries.

The shares of the Promoters of ADIL are locked in for a period of three years from the closing date in terms of the Investment Agreement. However, the Promoters may create encumbrances on their shares, in the ordinary course of business, only with the prior approval of the Company. Further, the Promoters are allowed to transfer, once in any financial year, the shares inter se provided that such transfer does not result in transfer of more than one half of their shareholding.

At any time after the expiry of the lock-in period, if the Promoters of ADIL, intend to sell part of their equity shares to reduce their shareholding in ADIL, by more than 5% of the then share capital, in any financial year, the said Promoters shall notify the Company in writing providing complete details relating to the proposed transfer and the detailed terms and conditions offered by the prospective *bona fide* transferee and the Company will have the right but not the obligation to require the promoters to procure the sale of part of or all the securities held by the Company, as may be offered by the Company, on the same terms and conditions as those agreed with the prospective *bona fide* transferee.

ADIL is required to undertake an IPO within a period of five years from the closing date November 30, 2008 in terms of the Investment Agreement. If ADIL fails to undertake the same, ADIL shall at the option of the Company, arrange one or more third-party investor(s) to purchase the shares held by the Company at a price higher of the fair market value of the shares and the amount calculated at the rate of 19% internal annualised return on the total investment. In the event the Company is not provided an exit through any of the exit options as provided under the Investment Agreement, for any reason whatsoever, then at the option of the Company, the Company shall have a put option after the expiry of the sixth anniversary from the closing date of the Investment Agreement, the Promoters of ADIL shall acquire (by way of purchase, buy back or otherwise) from the Company such securities as stated in the said put option notice.

The Company shall, at all times, maintain at least 5 % of the shareholding in ADIL, failing which the Investment Agreement shall stand terminated. ADIL, the Promoters of ADIL and the Company may by written agreement of all parties, terminate the Investment Agreement.

In the event of termination of the Investment Agreement, the non-defaulting party has the right to i) call upon the defaulting party to purchase all the shares of the non-defaulting party; or ii) to call upon the defaulting party to purchase its shares.

The Investment Agreement contains various customary clauses relating to representations, warranties, covenants and indemnification.

G. Securities Purchase Agreements entered by the Company with Pantaloon Industries Limited and PFH Entertainment Limited for the purchase of shares of Indus-League Clothing Limited

We have entered into two securities purchase agreements on March 26, 2008 for purchase of certain shares of Indus-League Clothing Limited. Whilst in terms of the securities purchase agreement with Pantaloon Industries Limited, the Company has purchased 20,60,000 equity shares of Indus-League Clothing Limited for the total consideration of Rs. 360.50 Lakhs, the Company has purchased 8,00,000 equity shares of Indus-League Clothing Limited under the securities purchase agreement with PFH Entertainment Limited for the total consideration of Rs. 140 Lakhs.

Pursuant to the securities purchase agreements and other agreements the Company held 14.28% of the equity capital of Indus-League Clothing Limited. The securities purchase agreements contains various customary clauses relating to representations, warranties, covenants and indemnification.

H. Share Subscription Agreement ("SSA") and the Shareholders Agreement ("SHA") between the Company and the other shareholders of Indus Tree Crafts Private Limited ("ITCPL")

The Company has entered into a SSA with Neelam Chhiber, Gita Ram ("Management Shareholders") and ITCPL on December 1, 2008 for subscription of 38,000 equity shares for the total purchase consideration of Rs. 658 Lakhs constituting 43.18 % of the share capital of ITCPL.

The Company has also entered into a shareholders' agreement dated December 1, 2008 ("SHA") with the Management Shareholders and Indus Tree Mutually Beneficial Trust ("Trust") and ITCPL providing *inter alia* the terms governing the relationship between the shareholders of ITCPL. The SHA inter alia provides that the Management Shareholders would gradually transfer a part of their shareholding over a period of five years in favour of Raminder Singh Rekhi, chief executive officer of ITCPL, by virtue of which the CEO shall then hold 8% of the equity capital of ITCPL. The CEO of ITCPL though not a party to the SHA, the rights of the CEO in relation to the shares acquired pursuant to the SHA shall be governed by the provisions of the SHA and the articles of association of ITCPL. If the employment of CEO ceases with ITCPL, the CEO shall, with a prior intimation to the Board of ITCPL, sell his shares to any third party within 60 days of ceasing to be an employee of ITCPL, failing which they said shares shall be offered to the Management Shareholders to be held by them in equal proportion.

In terms of the SHA, the Board of ITCPL is to have minimum of 2 and maximum of 5 directors out of which the Company may nominate two directors who would not retire by rotation. However, the Company would not have such rights if its shareholding falls below 2% of the share capital of ITCPL. The SHA mandates that the fifth director on the board of ITCPL should always be an independent director.

The Management Shareholders, Trust and the CEO are not allowed to sell, encumber or transfer their shares without prior written consent of the Company. The Management Shareholders have agreed for a non-compete obligation until the Company and the Management Shareholders hold 5% or more of the share capital of ITCPL. The Management Shareholders and the Company are provided with the right of first refusal for any intended transfer of shares held by them in ITCPL. The Company also is provided with right to tag along with any proposed sale of shares by the Management Shareholders and/or the Trust.

In the event that ITCPL issues fresh shares, the parties to the SSA have retained the pre-emptive rights over the fresh shares. However, the parties do not have the right of renunciation and hence, the parties can renounce the shares in favour of the other shareholders. Further, the parties will not have the pre-emptive rights in case of fresh issue pursuant to the grant of stock option or issue of shares for the purposes of merger.

In terms of the SHA, ITCPL is required to undertake an IPO within a period of four years from December 1, 2008. Both SSA and SHA would automatically terminate on the listing of shares of ITCPL. For the purposes of IPO, the Company will not be regarded as a promoter of ITCPL.

The SSA contains various customary clauses relating to representations, warranties, covenants, indemnification and dispute resolution.

I. Subscription cum Shareholders' agreement has been executed between the Company and Hidesign India Private Limited and Holii Accessories Private Limited

A subscription cum shareholders' agreement (the "SSA") was entered into on December 15, 2009 between Hidesign India Private Limited ("Hidesign") and Holii Accessories Private Limited ("Holii") and the Company. Holi increased its authorised, issued and paid up share capital to Rs. 100 Lakhs from the initial authorised share capital of Rs. 1.00 Lakh.

The parties to the SSA agreed to enter into the SSA to carry out the business which includes *inter alia* retailing fashion accessories including but not limited to leather handbags, wallets, accessories under the brand “Holii”. In accordance with the SSA, the Company and Hidesign had initially acquired 5,000 equity shares of Rs. 10 each of Holii constituting 50% of the paid up share capital of Holii.

Subsequently, 4,95,000 equity shares of Rs. 10 each for a total amount to the extent of Rs. 99,00,000 were issued to the Company and Hidesign, respectively. Also, the Company and Hidesign have subscribed to 2,50,000 equity shares each of Holii.

Right of first refusal: In the event that either shareholder subsequent to the expiry of the lock-in period proposes to transfer shares held by it (“Offered Shares”) to a person not being a permitted transferee (“Prospective Shareholder”), such shareholder (“Selling Shareholder”) shall first offer to sell the Offered Shares by sending a notice of the offer to the other shareholder (“Non-Selling Shareholder”), irrevocably offering to sell Offered Shares to the Non-selling Shareholder at the price at which the sale is proposed and any other terms and conditions of the sale. On receipt of the notice the Non-selling Shareholder shall have the option to purchase all of the offered shares within a period of 21 business days. In case of acceptance, the sale shall be completed within 15 business days from the date of such acceptance. In the event the Non-Selling Shareholder rejects the offer or the Selling Shareholder does not receive a written acceptance in respect of the Offered Shares within 21 business days, the Selling Shareholder shall be entitled to transfer the Offered Shares to any third party within 60 business days from the date of the transfer notice. Any proposal for transfer of the equity shares after the expiry of 60 days from the date of transfer notice, shall be subject to the provisions of right of first refusal as provided in the SSA. The new shareholder shall execute a deed of adherence in accordance to the terms of the SSA.

Tag along right: Subject to the provisions of the right of first refusal , the Non-selling Shareholder may instead of purchasing the Offered Shares, may cause by sending a tag along notice to the Selling Shareholder within 21 business days from the date of receipt of the transfer notice requiring the Selling Shareholder to ensure that the third party purchases shares on pro rata basis as provided under the tag along notice (“Tag Along Shares”) on terms not less favorable than those offered under the transfer notice. In the event that the third party is unwilling or unable to acquire all of the Offered Shares and all (but not less than all) of the Tag Along Shares upon such terms, then the Selling Shareholder shall cancel such proposed transfer and no equity shares shall be transferred to the third party. The Selling Shareholder shall not be entitled to sell or transfer any of the equity shares so offered to the third party unless the third party simultaneously purchases and pays for the Tag Along Shares. These transactions should be completed in 15 business days from the delivery of the tag along notice

Capital requirements and financing: The Parties are not obliged to guarantee the obligations of Holii and shall neither be liable to the creditors of Holii for its debts or liabilities.

Management: The board of directors of Holii (the “BoD”) shall comprise of 4 directors out of which two shall be appointed by the Company and two shall be appointed by Hidesign.

The BoD shall meet at least once every three months One third of its total strength shall be the quorum or two directors whichever is higher and no quorum shall be deemed to be present unless at least nominee director of each party is present.

Transfer of Shares: In terms of the SSA, the shares shall be locked-in for a period of four years from the effective date of the agreement. However, either Shareholder could transfer its shares to a permitted transferee, subject to such permitted transferee undertaking to be bound by the terms and conditions of the SSA and executing the Deed of Adherence. The SSA has defined permitted transferee, in relation to any party, as any company, person, or other entity which directly or indirectly controls, is controlled by, or is under common control with such party.

Matters reserved for affirmative vote: The BoD, the Company and Hidesign shall have affirmative voting rights regarding certain matters which include material change in the nature of business, fundamental corporate change such as merger, amalgamation, reorganization, dissolution, winding up, any changes in the BoD or capital structure, creation of a new equity stock options or additional equity options, any disinvestment of or sale of assets, investment lease, license or exchange or pledge in any other way proposing to dispose off any assets where the aggregate consideration is in excess of 5% of annual revenue of Holii in any financial year, any capital expenditures and strategies including providing security for guaranteeing debts) beyond that budgeted for in the business plan.

Intellectual property rights: Holii shall have exclusive rights to its brand name and its intellectual property rights. Hidesign and FVIL shall assign all their rights under the brand Holii in favour of the company and execute deeds and documents as may be required. Any use of Holii's intellectual property whether registered or not shall require Hidesign to obtain Holii's written consent. This consent shall be subject to the payment of a fee or charges as be mutually agreed upon by the BoD and pursuant to a definitive agreement.

The SSA contains various customary clauses relating to representations, warranties, covenants, indemnification, and dispute resolution.

J. Share Purchase Agreement dated February 18, 2010 between Indivision India Partners ("Indivision") and the Company for the purchase of shares of Capital Foods Exportts Private Limited

A Share Subscription Agreement dated October 27, 2006 (the "SSA") and a Shareholders Agreement dated October 27, 2006 ("SHA") were executed between Indivision India Partners ("Indivision") Ajay Gupta and Indivision Partners and Capital Foods Exportts Private Limited ("Capital Foods") pursuant to which Indivision was allotted and issued 7,53,049 equity shares of Rs.10 each representing 33% of the equity shares of Capital Foods.

Subsequent to the execution of the SSA and the SHA, to meet the working capital requirements and for business expansion, Capital Foods made an offer to issue equity shares with a face value of Rs. 10 each at a premium of Rs. 166.41 per share to the existing shareholders of Capital Foods on right basis in the ratio of two equity shares for every five equity shares held by the existing shareholders on the record date *i.e.* February 20, 2009. All shareholders, except Indivision declined to accept their right shares. Indivision subscribed to 3,01,220 equity shares of Rs. 10 each issued at a premium of Rs. 166.41 per equity share by investing Rs. 5,313.82 lakhs through the Rights Share Subscription Agreement dated March 25, 2009. Consequently, a first deed of amendment dated March 25, 2009 was entered into among Ajay Gupta and Indivision Partners and Capital Foods to amend the SHA to reflect the shareholding of Indivision and Ajay Gupta pursuant to the the Rights Share Subscription Agreement which was as following:

Sr. No.	Name	Percentage
1.	Ajay Gupta	59.19
2.	Indivision	40.81

Subsequently, Indivision entered into a share purchase agreement dated February 15, 2010 with the Company whereby Indivision agreed to sell its entire shareholding of 10,54,269 shares aggregating to 40.81 % of the share capital of Capital Foods to the Company for the total consideration of Rs. 4,500 Lakhs.

The Company also entered into a deed of adherence dated February 18, 2010 whereby the Company has agreed to abide by the terms of the SHA entered between Ajay Gupta, Indivision and Capital Foods as amended by the first deed of amendment dated March 25, 2009.

K. Share Warrant Subscription Agreement dated March 25, 2009 among Ajaay Gupta and Indivision India Partners and Capital Foods Exportts Private Limited

A Share Warrant Subscription Agreement dated March 25, 2009 was executed between Ajaay Gupta and Indivision and Capital Foods whereby Aajay Gupta was issued 559,296 warrants with a right to subscribe to equal number of equity shares at a price of Rs.176.41 per equity share aggregating to Rs. 9,86,65,407.36.

Aajay Gupta has the option to convert these warrants into equity shares of Capital Foods in one tranche at anytime within 24 months from March 25, 2009. Warrant shares shall mean a maximum of 5, 59,296 equity shares arising out of conversion of the warrants into shares.

In the event the option is not exercised the same would have deemed to have lapsed and Aajay Gupta shall have no right to demand the allotment of the shares. Each warrant not exercised shall become void and all rights attached shall terminate. These warrants are non transferable and the right to exercise them can only be exercised by Aajay Gupta at a premium of Rs. 166.41 per share warrant. Any exception shall be allowed only by the written consent of Indivision subject to right of first refusal, tag along rights as provided under the SSA and SHA. The warrant share shall carry from the date of conversion, the right to receive proportionate dividends and other distributions declared to be declared and rank *pari passu* to the existing shares in all respects.

L. Master License Agreement between the Company and Future Ideas Company Limited

The Company has entered into a master license agreement dated August 10, 2010 ("Master License Agreement") with Future Ideas Company Limited ("Future Ideas") whereby Future Ideas, proprietor of various trademarks in relation to the Future Group, has granted a non-exclusive, non-transferable license to the Company to use and reproduce the trademarks registered in the name of Future Group as provided in Schedule I of the Master License Agreement subject to the brand usage guidelines prescribed under Schedule II of the Master License Agreement. As per the Master License Agreement, the Company has agreed to pay an annual minimum royalty to Future Ideas for the period of five years staring from fiscal 2011 till fiscal 2015 on a yearly incremental basis varying from Rs. 100 lacs for the fiscal 2011 to Rs. 244 lacs for the fiscal 2015. The aforesaid royalty is required to be paid by the Company on a quarterly basis payable on 10th of succeeding month after end of each quarter. The Company has agreed to pay additional royalty of 0.10% of the annual turnover of the Company as reduced by the amount of minimum already paid. Additional royalty shall be payable within 10 days from the date on which annual accounts are approved by the Board of Directors. The Master License Agreement is valid from the date of the Master License Agreement till terminated by Future Ideas in accordance with the terms of the Master License Agreement.

M. Shareholding agreement relating to the Company's investment in Future Consumers Products Limited

Pantaloon Retail (India) Limited ("PRIL") entered into a shareholders' agreement ("FCPL SHA") with Sachin Ramesh Tendulkar ("Sachin") on September 12, 2007 for issue and allotment of shares constituting 10% ("ST Shares") of the total shareholding of Future Consumers Products Limited ("FCPL") to Sachin. As per FCPL SHA, PRIL is to create a range of products centred around Sachin more particularly described in Annexure I of the FCPL SHA ("ST Brands"). Further, for the purposes of marketing and selling such products, appointment of agents and/or forming of joint ventures, PRIL is required to obtain prior approval of Sachin. Additionally, Sachin shall also be entitled to a royalty ranging from one per cent to five per cent on the revenue generated from sale of various products under ST Brand. Sachin shall also have affirmative veto in relation to certain management decisions in relation to FCPL inter alia including acquisition of other businesses, mergers, demergers or amalgamations.

During the period of 5 years from the date of execution of the FCPL SHA, the shares of the parties to the FCPL SHA is locked-in except that PRIL may transfer its shares to any of its affiliates. However, the ST Shares shall not be subject to any transfer restrictions and any transfer by other shareholders of FCPL shall, in no event, dilute the ST Shares below 7.5% of the entire shareholding of FCPL. In the event that FCPL fails to provide a market exit in 5 years from the date of completion, Sachin also has a right to require PRIL to purchase all his shares held in FCPL within a period of 30 days from the date of issue of notice. PRIL is also required to use reasonable endeavours to cause an IPO of FCPL within 5 years from the completion date. In the event of an IPO of FCPL, if Sachin sells his stake in FCPL, PRIL shall be allowed to use ST Brand for the next ten years from the date of such exercise. The FCPL SHA is liable to get automatically terminated if (i) Sachin sells his ST Shares; (ii) shareholding of PRIL falls below 26 per cent; (iii) IPO of FCPL; or (iv) FCPL discontinues endorsement of ST Brands.

On July 6, 2010, PRIL transferred its entire shareholding in FCPL to the Company for the total consideration of Rs. 2,000 lakhs. For this purpose, the Company has entered into a deed of adherence on August 3, 2010 as per the requirement of FCPL SHA.

Competition

For details the Company's competitors, please see section entitled "Business - Competitors" on page 85.

MANAGEMENT

Board of Directors:

As per the Articles of Association, the Company cannot have less than 3 and more than 12 Directors. Currently the Board has five Directors out which three Directors are independent directors in terms of Clause 49 of the Equity Listing Agreement. The following table sets forth details regarding the Board as of the date of filing the Draft Red Herring Prospectus with SEBI.

Name, Father's Name, Designation, Address, Occupation and Term	Age (Years)	Other Directorships
G.N. Bajpai ***Father's name:*** Bans Gopal Bajpai ***Designation:*** Chairman, Independent and Non-Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 00946138 ***Profession:*** Business ***Nationality:*** Indian ***Address:*** 131, Shaan Apartments Kashinath Dhuru Marg Opposite Kirti College Prabhadevi Mumbai 400 028	68	• Apnapaisa Private Limited *(formerly known as Apnaloan.com Services Private Limited)* • Dalmia Cement (Bharat) Limited • Emaar MGF Land Limited • Future Capital Holdings Limited • Future Finance Limited • Future Generali India Insurance Company Limited • Future Generali India Life Insurance Company Limited • IDE India • Infomerics Valuation & Rating Private Limited • Intuit Consulting Private Limited • Invent ARC Private Limited • Invent Asset Securitisation and Reconstruction Company Private Limited • Kingfisher Airlines Limited • Mandhana Industries Limited • New Horizons India Limited • Nitesh Estates Limited • PNB Housing Finance Limited • The Dhanalakshmi Bank Limited • Usha Martin Limited
Kishore Biyani ***Father's name:*** Laxminarayan Biyani ***Designation:*** Managing Director ***Term:*** Five years with effect from February 5, 2008 ***DIN:*** 00005740 ***Profession:*** Entrepreneur ***Nationality:*** Indian ***Address:*** 406, Jeevan Vihar Manav Mandir Road Mumbai 400 006	50	*Companies* • Embassy Property Developments Limited (formerly known as Dynasty Developers Private Limited) • ESES Commercials Private Limited • Fame India Limited • Future Capital Holdings Limited • Future Corporate Resources Limited (formerly PFH Entertainment Limited) • Future Generali India Insurance Company Limited • Future Generali India Life Insurance Company Limited • Future Media (India) Limited • Galaxy Entertainment Corporation Limited • Home Solutions Retail (India) Limited • Indian Merchant Chambers • Jagran Prakashan Limited

Name, Father's Name, Designation, Address, Occupation and Term	Age (Years)	Other Directorships
		• Kumar Urban Development Limited (formerly Kumar Housing & Land Development Limited) • Manz Retail Private Limited • Naman Mall Management Company Private Limited • New Horizons Retail Private Limited • Pantaloon Retail (India) Limited • Retailers Association of India • Simpleton Investrade Private Limited
Anil Harish ***Father's name:*** D.M. Harish ***Designation:*** Independent and Non-Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 00001685 ***Profession:*** Lawyer ***Nationality:*** Indian ***Address:*** 13, CCI Chambers, 1st Floor Dinshaw Wacha Road Churchgate Mumbai 400 020	56	*Companies* • Ador Welding Limited • Advani Hotels and Resorts (India) Limited • Ashok Leyland Limited • Astoria Maritime Private Limited • Bharti AXA Investment Managers Private Limited • Blue Rose Investments Private Limited • Cenmar Maritime Agencies (India) Private Limited • Freight Connection (India) Private Limited • Ges Seaco India Private Limited • Helpyourngo.com (India) Private Limited • Hinduja Global Solutions Limited (formerly HTMT Global Solutions Limited) • Hinduja Ventures Limited (formerly Hinduja TMT Limited) • Hotel Leelaventure Limited • K. C. Maritime (India) Limited • Mahindra Lifespace Developers Limited • Mordril Properties (India) Private Limited • Mukta Arts Limited • Oasis Preprint Services Private Limited • Oberoi Realty Limited • OMCI Ship Management Private Limited (formerly Loire Marine Services Private Limited) • Pantaloon Retail (India) Limited • Quantum Advisors Private Limited • Sunil Mantri Realty Limited • TORM Shipping India Private Limited • Trans Atlantic Consultants Private Limited • Unitech Limited • Valecha Engineering Limited *Firms* DM Harish & Co. *Trusts* • CIG Realty Fund • Create Foundation

Name, Father's Name, Designation, Address, Occupation and Term	Age (Years)	Other Directorships
		• D.M. Harish Foundation • Dayal K. Harjani Trust • Freight Connection India Priavte Limited Employees Group Gratuity Assurance Scheme • G.D.S Foundation • Ges India Private Limited Employees Group Gratuity Assurance Scheme • Hyderabad (Sindh) National Collegiate Board • Quantum Employees Stock Option Plan • Rajni Patel Memorial Foundation • Ram and Veena Buxani Foundation • Sani Charitable Trust • SNS Charitable Trust • The IndusInd Foundation
Anand Balasundaram ***Father's name:*** Balasundaram Ramchandran ***Designation:*** Non-Independent and Non-Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 02792009 ***Profession:*** Professional ***Nationality:*** Indian ***Address:*** D 814 Paradise Raheja Vihar, Powai Mumbai 400 072 Maharashtra	46	Nil
Jagdish Shenoy ***Father's name:*** Vasudev Shenoy ***Designation:*** Independent and Non-Executive Director ***Term:*** Liable to retire by rotation ***DIN:*** 01754643 ***Profession:*** Professional ***Nationality:*** Indian ***Address:*** Atmaram Bhuvan,	43	*Companies* • Arsha Advisory Services Private Limited • BRX India Private Limited

Name, Father's Name, Designation, Address, Occupation and Term	Age (Years)	Other Directorships
Plot no 250, Room No.11 Station Road, Wadala (West), Mumbai 400 028		

None of the Directors are related to each other.

Brief biographies of the Directors of the Company:

G. N. Bajpai, aged 68, is the Chairman of the Company. He completed his Master of Commerce degree from the University of Agra, Bachelor's degree in law from the University of Indore. He has previously been the Chairman of SEBI, Life Insurance Corporation of India, the Corporate Governance Task Force of International Organisation of Securities Commission and the Chairperson of the Insurance Institute of India. He has also been a member of the Board of Directors of General Insurance Corporation of India, ICICI Bank, Unit Trust of India, Axis Bank and Indian Railway Finance Corporation. He is on the board of advisors of the Indian Army Group Insurance Fund and the National Insurance Academy (University). Previously, he has served on the board of governors of the Indian Institute of Management (Lucknow). He has delivered lectures at the London School of Economics, Harvard University, and the Massachusetts Institute of Technology. He has also addressed the seminar organized by the Organisation of Economics Co-operation and Development (OECD) and International Monetary (IMF). He has written three books and was recently awarded, "Outstanding Contribution to the Development of Finance." He joined the Board of the Company on February 20, 2008.

Kishore Biyani, aged 50, is the Managing Director of the Company. He is a commerce graduate with a post-graduate diploma in marketing management. He has over 25 years of experience in the field of manufacturing and marketing of ready-made garments. He has received several awards including the 'CEO of the Year - 2001', 'the most Admired Retailer of the Year – 2004', the 'Retail Face of the Year - Images Retail Awards 2005' and the 'E&Y Entrepreneur of the Year – Services – 2006'. He has been on the Board of the Company since October 8, 2007.

Anil Harish, aged 56 is an Independent and Non-Executive Director of the Company. He holds a bachelor's degree in arts (honours) and bachelor's degree in law from University of Mumbai and a master's degree in law from University of Miami, USA. He is a partner of D.M. Harish & Co., Advocates and specialises in corporate laws, Income Tax and Property matters. He has been on the Board of the Company since February 20, 2008.

Anand Balasundaram, aged 46 is a Non-Executive Director of the Company. He is a qualified Chartered Accountant and holds a degree in commerce and with over 20 years of experience in Corporate Finance and banking across diversified business groups. He has been on the Board of the Company since July 16, 2009. Prior to joining the Company, he was the President-Corporate Finance, Vedanta Resources Group. He has been associated with Motorola India Limited, Credit Lyonnais Limited, HSBC Limited, IL&FS Limited and Citibank Limited.

Jagdish Shenoy, aged 43 is an Independent and Non-Executive Director of the Company. He is a qualified Chartered Accountant and holds a bachelor's degree in Commerce from Poddar College, University of Mumbai with over 20 year of experience in systems documentation, training, internal and operational audits and business advisory. He has been associated with RSM & Company, Chartered Accountants. He was also on the board of Aneja Associates.

None of the key managerial personnel are related to each other. All key managerial personnel are permanent employees of the Company.

Service Agreement with the Managing Director, Kishore Biyani

Under the terms of an agreement dated February 5, 2008, he has been appointed as the Managing Director of the Company for a period of five years with effect from February 5, 2008 to February 4, 2013.

The Managing Director shall not be entitled to any remuneration. However, the Board of Directors, including a committee thereof may, subject to the shareholders' and other requisite approvals, approve to pay remuneration to the Managing Director within the limits prescribed under the Companies Act. Further, the Managing Director shall not be paid any sitting fees.

The Managing Director shall be entitled to terminate the agreement by resigning from the employment of the Company by giving a six months' written notice to the Company. The Company shall also be entitled to terminate the agreement and the services of the Managing Director by giving him six months' written notice or pay in lieu thereof.

Payment or benefit to Directors/ officers of the Company

The sitting fees/other remuneration paid to the Directors for the Fiscal 2010 are as follows:

1. Remuneration to Managing Directors:

The aggregate value of salary and perquisites paid for the Fiscal 2010 to the Executive Directors of the Company are set forth in the table below:

S. No	Name of the Director	Salary (In Rs. Lakhs)
1.	Kishore Biyani	Nil

2. Remuneration to Non- Executive Directors:

The details of the sitting fees and other payments paid to the Non-Executive Directors of the Company in Fiscal 2010 are set forth in the table below:

S. No	Name of the Director	Sitting Fees (In Rs. Lakhs)
1.	G. N. Bajpai	1.40
2.	Anil Harish	0.80
3.	Anand Balasundaram	Nil
4.	Jagdish Shenoy*	N.A.

** Jagdish Shenoy joined the Company in August 2010.*

Except for sitting fees, no other remuneration was paid to the non-executive directors.

Except as stated in this section "Management" on page 109, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of the Company's officers including the Directors and key management personnel. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of the Company. Further, except statutory benefits upon termination of their employment in the Company or retirement, no officer of the Company, including the Directors and the key management personnel of the Company, are entitled to any benefits upon termination of employment.

Interests of Promoters, Directors and Key Managerial Personnel

Except as stated in the section entitled "Related Party Transactions" on page 153 and to the extent of shareholding in the Company, the Promoters, Promoter Group, Directors and key managerial personnel do not have any other interest in the Company's business.

PRIL, which is one of the Promoters of the Company, has entered into a Mentoring Services Agreement dated August 10, 2010 with the Company and is entitled to fees for services rendered by it in accordance with the terms thereof. For further details of the Mentoring Services Agreement, please see the section entitled "History and Certain Corporate Matters" on page 95.

PRIL, which is one of the Promoters of the Company, has through letter dated November 26, 2008 permitted the Company to use the a non-demarcated portion of the premises located at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060 as its registered office.

FCH, which is a Group Company of the Company, has entered into a Consulting and Advisory Services Agreement dated February 20, 2008, as amended through agreement dated August 10, 2010 with the Company and is entitled to fees for services rendered by it in accordance with the terms thereof. For further details of the Consulting and Advisory Services Agreement, please see the section entitled "History and Certain Corporate Matters" on page 95.

Kshitij Investment Advisory Company Limited, which is a Group Company of the Company, has through letter dated April 1, 2010 permitted the Company to use the a non-demarcated portion of the premises located at Kalpataru Synergy, West Wing, 5th Floor, Vakola, Santa Cruz (East), Mumbai 400 055 as its corporate office for a quarterly fee of Rs. 4.60 Lakhs for a temporary period from April 1, 2010 to October 31, 2010.

The Non-Executive Directors of the Company may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association of the Company. The Managing Director may be deemed to be interested to the extent of any remuneration that may be paid to him for services rendered by him as an officer of the Company pursuant to the agreement described in the section entitled "Management – Service Agreement with the Managing Director, Kishore Biyani" beginning on page 112. The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/ firms/ ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, pursuant to this Issue.

The key managerial personnel of the Company do not have any interest in the Company other than to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Shareholding of the Directors

None of the Directors of the Company hold any equity shares in the Company as of the date of filing of this Draft Red Herring Prospectus.

Borrowing Powers of the Board

In terms of the Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board is required to obtain the consent of the Company in general meeting prior to undertaking such borrowing.

In this regard, the Company, in the meeting of its shareholders dated February 5, 2008 had resolved that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board is authorised to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs etc., from time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed Rs. 4,00,000 Lakhs over and above paid-up capital and free reserve of the Company.

Corporate Governance

The Company has complied with the requirements of the applicable regulations, including the listing agreement to be entered in to with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Company has a Board constituted in compliance with the Companies Act and listing agreement to be entered in to with the Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Company's executive management provides the Board detailed reports on its performance periodically.
Currently the Board has five Directors out which three Directors are independent directors in terms of Clause 49 of the Equity Listing Agreement. In compliance with Clause 49 of the Equity Listing Agreement, the Board comprises of one executive Director and four non-executive directors, including three independent Directors.

Committees of the Board

I. Audit Committee

The members of the Audit Committee are:

1. G.N. Bajpai, *Chairman of the Audit Committee, Independent and Non-Executive Director*

2. Anil Harish, *Member of the Audit Committee, Independent and Non-Executive Director*

3. Anand Balasundaram, *Member of the Audit Committee, -Non-Independent and Non-Executive Director*

The Audit Committee was constituted by a meeting of the Board of Directors held on February 20, 2008. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee include the following:

(i) Overseeing the Company's financial reporting process and disclosure of its financial information.

(ii) Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.

(iii) Approval of payments to the statutory auditors for any other services rendered by them.

(iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   (a) matters required to be included in the Director's Responsibility Statement to be included

   (b) in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

   (c) changes, if any, in accounting policies and practices and reasons for the same;

   (d) major accounting entries involving estimates based on the exercise of judgment by management;

   (e) significant adjustments made in the financial statements arising out of audit findings;

   (f) compliance with listing and other legal requirements relating to financial statements;

   (g) disclosure of any related party transactions; and

   (h) qualifications in the draft audit report.

(v) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

(vi) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.

(vii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(viii) Discussion with internal auditors any significant findings and follow up thereon.

(ix) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(x) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

(xii) Reviewing the functioning of the whistle blower mechanism, in case the same is existing.

(xiii) Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.

(xiv) Review the uses and application of funds as specified in the prospectus, on a quarterly basis as a part of the quarterly declaration of financial results, make appropriate recommendations to the Board to take up steps till such time that the full money raised through the Issue has not been fully spent.

II. Nomination and Remuneration/Compensation Committee

The members of the Nomination and Remuneration/Compensation Committee are:

1. G. N. Bajpai, *Chairman of the Nomination and Remuneration/Compensation Committee, Independent and Non-Executive Director*

2. Anil Harish, *Member of the Nomination and Remuneration/Compensation Committee, Independent and Non-Executive Director*

3. Anand Balasundaram, *Member of the Nomination and Remuneration/Compensation Committee, Non- Independent and Non-Executive Director*

This committee was originally constituted by the Board of Directors as Remuneration/ Compensation Committee on February 20, 2008. Subsequently, the Board of Directors had constituted a Nomination Committee on August 5, 2008. The Board of Directors, thereafter, merged both the aforestated committees as the Nomination and Remuneration/Compensation Committee on May 29, 2010. The Nomination and Remuneration/ Compensation Committee has been formed in accordance with the requirements prescribed by the Reserve Bank of India.

The scope of reference of Committee of Nomination and Remuneration/ Compensation includes the following:

(i) To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required.

(ii) To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company.

(iii) To finalise the format for obtaining the declarations from the existing/proposed Director(s).

(iv) To obtain a declaration from existing Directors every year as on 31st March that the information already provided by them has not undergone any change and where there is any change, requisite details are furnished by the Directors forthwith.

(v) To obtain such further declarations from the existing Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time.

(vi) To recommend the suitable change(s), if required to the Board of Directors of the Company.

(vii) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

  a. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or

  b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

(viii) Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

(ix) Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines.

(x) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Committee.

III. Shareholders'/Investors' Grievances and Share Transfer Committee

The members of the Shareholders'/Investors' Share Transfer Grievance Committee are:

1. Anand Balasundaram, *Chairman of the Shareholders'/Investors' Grievances and Share Transfer Committee, Non-Independent and Non-Excutive Director*

2. Kishore Biyani, *Member of the Shareholders'/Investors' Grievances and Share Transfer Committee, Non-Independent and Managing Director*

The Shareholders/ Investors' Grievance Committee was constituted by a meeting of the Board of Directors held on February 20, 2008. The terms of reference of Shareholders/ Investors' Grievance Committee encompasses the following:

(i) To approve transfer / transmission / dematerialisation of Equity Shares of the Company.

(ii) To approve issue of duplicate/ consolidated/ split share certificate(s).

(iii) To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the share certificate(s), affixing common seal of the Company on share certificate(s) as per Article of Association of the Company, etc.

(iv) To do all acts, deeds and things as may be required from admission of Equity Shares of the Company with National Securities Depository Limited and Central Depository Services (India) Limited.

Other Committees of the Board

I. Investment Committee

The members of the Investment Committee are:

1. Kishore Biyani, *Chairman of the Investment Committee, Non-Independent and Managing Director*

2. G. N. Bajpai, *Member of the Investment Committee, Independent and Non-executive Director*

3. Anand Balasundaram, *Member of the Investment Committee, Non-Independent and Non-Executive Director*

The Investment Committee was originally constituted as the "Executive Committee" by a meeting of the Board held on February 20, 2008. On May 29, 2010, the Board re-named the Executive Committee as the Investment Committee. The scope of reference of Investment Committee includes the following:

(i) To invest, on such terms and conditions as it thinks fit, funds of the Company from time to time, up to a limit of Rs.400,000,00,000 (Rupees Four Hundred Thousand Lakhs) over and above the aggregate of the then existing paid-up capital and free reserve of the Company, outstanding at any point of time, in shares, debentures, bonds, units or such other securities including in the form loan(s), whether strategic, long-term or short-term or in any other form, to such entities /bodies corporate(s) as it may think fit, including acquisition of securities from the capital market(s), whether primary and/or secondary.

(ii) To evaluate and approve investment proposals within the parameters as permissible within applicable rules, regulations, guidelines of the Reserve Bank of India. To maintain investment portfolio of the Company from time to time.

(iii) To buy, sell, apply for purchase of, transfer, negotiate and/or otherwise deal with, on such terms and conditions, as it think fit, any securities up to the limits prescribed above.

(iv) To give loan(s) in the form of inter-corporate deposit or other wise to the Bodies Corporate(s) or any other entities.

(v) To authorize officials of the Company to do all necessary acts, deeds, documents, and things as may be required to buy, sell, apply for purchase, transfer, etc., in relation to securities as may approved by the Committee.

(vi) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements, to be attended to by such Committee.

(vii) To do all such acts, deeds, and things as may be required in relation to monitoring and implementation of the 'Business and Investment Policy' of the Company, as modified/amended from time to time.

(viii) To delegate to any Executive(s)/Official(s) of the Company, the powers for granting of loan(s) by the Company, in the form of inter-corporate deposit or otherwise to the Bodies Corporate(s) or any other entities as may be permissible under law.

(ix) To decide on providing of guarantee or security of the Company in connection with any loan or other financial facilities/arrangements that may be availed by any of the investee entities ("Business Ventures) of the Company to the extent not exceeding 5% of the owned funds of the Company in respect of any single Business Venture or 25% of the owned funds of the Company in aggregate for all Business Ventures and for the said purpose, to appoint one or representatives to do such acts, deeds, matters and things incidental and ancillary thereto."

II. IPO Committee

The members of the IPO Committee are:

1. Kishore Biyani, *Member of the IPO Committee, Non-Independent and Managing Director*

2. G. N. Bajpai, *Member of the IPO Committee, Independent and Non-Executive Director*

3. Anand Balasundaram, *Member of the IPO Committee, Non-Independent and Non-Executive Director*

The IPO Committee of Directors was constituted by a meeting of the Board held on February 20, 2008. The scope of reference of IPO Committee includes the following:

(i) To approve, adopt and file the Red Herring Prospectus and the Prospectus for the I.P.O. as required under Section 60 of the Companies Act, 1956, with the Ministry of Company Affairs and/or concerned Registrar Of Companies, and to make any corrections or alterations therein.

(ii) To sign and execute such letters, deeds, documents, writings, etc. and to do all such acts, deeds, matters and things as might be required in connection with the issue of the Equity Shares under the I.P.O. and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to:

a) Approving the offer document and filing the same with the any other authority or persons as may be required;

b) To decide on the timing, pricing and all the terms and conditions of the issue of the securities, including the price, and to accept any amendments, modifications, variations or alterations thereto;

c) Arranging the delivery and execution of all contracts, agreements including Memorandum of Understanding with the lead managers/global coordinators, escrow agreements with selected banks, etc., and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of securities by the Company;

d) Opening a separate special account with a scheduled bank to receive monies in respect of the issue of the equity shares of the Company;

e) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s).

f) Affixing the Common Seal of the Company on any of the document(s), deed(s), agreement(s), writings, MoU(s), etc. in accordance with the Articles of Association of the

Company.

(iii) To make applications to such authorities as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

(iv) To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the I.P.O., including the price, and to accept any amendments, modifications, variations or alterations thereto;

(v) To appoint and enter into arrangements with the book running lead managers, underwriters to the I.P.O., Syndicate Members, Brokers, Escrow Collection Bankers, Registrars, Legal Advisors and any other agencies or persons or intermediaries to the I.P.O. and to negotiate and finalise the terms of their appointment, including but not limited to execution of the Book Running Lead Managers ("BRLMs") mandate letter, negotiation, finalisation and execution of the memorandum of understanding with the BRLM etc.;

(vi) To finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the final prospectus, syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Public Issue;

(vii) To open with the bankers to the I.P.O. such accounts as are required by the regulations issued by SEBI;

(viii) To authorize and approve the incurring of expenditure and payment of fees in connection with the I.P.O.;

(ix) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

(x) To do all such acts, deeds and things as may be required to dematerialise the equity shares of the Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;

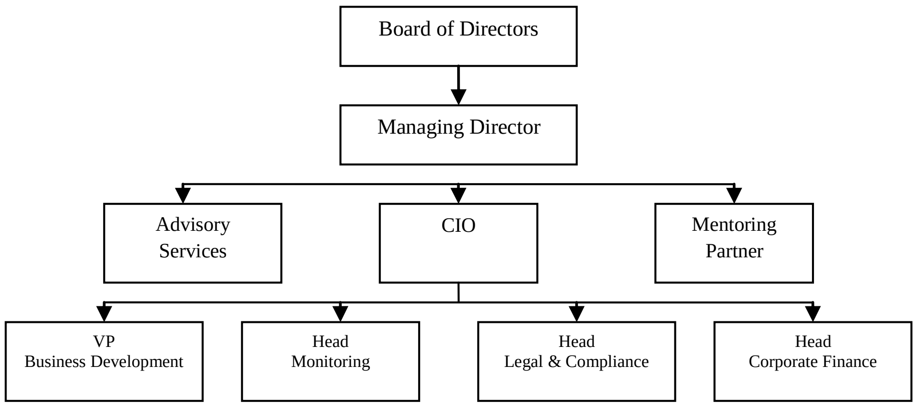
(xi) To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

(xii) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, in its absolute discretion deem fit;

(xiii) To delegate such powers to specified Executive(s)/ Official(s) of the Company and/or any other person, as may be required, to complete the above tasks, subject to their overall supervision and control;

(xiv) To do all acts, deeds, matters and things as may be required to be done in terms of the delegations/authorizations that may be done by the Board of Directors, the General Body of Shareholders and/or such other bodies in terms of the applicable laws.

Management Organisation Structure



Changes in the Board of Directors in the last three years

The changes in the Board of Directors during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
R Santhanam	August 9, 1996	July 15, 2006	Demise
R Shankar	August 9, 1996	July 14, 2007	Resigned
V. Thirumalai	August 9, 1996	July 14, 2007	Resigned
Krishan Kant Rathi	July 14, 2007	February 20, 2008	Resigned
N Shridhar	July 14, 2007	February 20, 2008	Resigned
Pankaj Thapar	July 14, 2007	February 20, 2008	Resigned
Kishore Biyani	October 8, 2007	-	Appointed
G. N. Bajpai	February 20, 2008	-	Appointed
Anil Harish	February 20, 2008	-	Appointed
Rakesh Jhunjhunwala	February 20, 2008	August 4, 2010	Resigned
Sameer Sain	January 28, 2008	February 5, 2010	Resigned
Dhanpal Jhaveri	January 28, 2008	February 19, 2010.	Resigned
Pankaj Thapar	July 16,2009	February 19, 2010.	Resigned
Anand Balasundaram	July 16,2009	-	Appointed
Jagdish Shenoy	August 10, 2010		Appointed

Key Managerial Personnel of the Company

In addition to Kishore Biyani, the Managing Director, provided below are the key managerial employees of the Company. For details relating to the profile of Kishore Biyani, see the section entitled "Management - Brief Biographies of the Directors of the Company" beginning on page 112.

Name	Designation	Qualifications	Previous Employment	Total Years of Experience (including relevant experience)	Date of joining	Gross salary paid in Fiscal 2010 (In Rs. Lakhs)
Manoj Gagvani	Company Secretary and	B.Com; LLB (Gen.); ACS	Pidilite Industries	22	June 23,	30.96

Name	Designation	Qualifications	Previous Employment	Total Years of Experience (including relevant experience)	Date of joining	Gross salary paid in Fiscal 2010 (In Rs. Lakhs)
	Head – Legal		Limited		2008	
Krishan Kant Rathi	Chief Investment Officer	B.Com; A.C.A; ACS	Motilal Oswal Private Equity Advisors Private Limited	25	March 1,2010	13.28
Meenakshi Maheshwari	Vice President	B.com; A.C.A	Ferrier Hodgson Limited	19	April, 5 2010	-#
Gopal Bihani	Vice President - Finance	A.C.A.	Aadhaar Retailing Limited	12	June, 1, 2010	-#

 # Meenakshi Maheshwari and Gopal Bihani were not paid any remuneration for Fiscal 2010 as they joined the Company in April 5, 2010 and June 1, 2010 respectively.

None of the key managerial personnel are related to each other and all of them are permanent employees of the Company.

Changes in Key Managerial Personnel

Name	Date of Appointment	Date of Cessation	Reason
Gurmeet Singh Mission	October 1, 2007	July 1, 2008	Resigned
Manoj Gagvani	June 30, 2008	-	Appointed
Prashant Desai	October 1, 2007	August 31, 2009	Resigned
Krishan Kant Rathi	March 1,2010	-	Appointed
Ashutosh Vidwans	October 1, 2007	June 20, 2010	Re-assignment within the Future Group

Shareholding of Key Managerial Personnel

None of the key managerial personnel of the Company hold any equity shares of the Company as of the date of filing this Draft Red Herring Prospectus.

Bonus or profit sharing plan of the key management personnel

The Company does not have a performance linked bonus or a profit sharing plan for the key management personnel.

SUBSIDIARIES

The Company has six Subsidiaries. None of the Subsidiaries have made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up. Other than as disclosed in the sections entitled "Promoter and Promoter Group" and "Group Companies" on pages 134 and 140, respectively, the Promoter has not disassociated from any of the companies during the preceding three years. The information provided in this section is as of the date of this Draft Red Herring Prospectus.

Interest of the Subsidiaries in the Company

None of the Subsidiaries hold any Equity Shares in the Company. Except as stated in the section titled "Related Party Transactions" at page 153 the Subsidiaries do not have any other interest in the Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, the Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

SUBSIDIARIES

The Company has the following Subsidiaries as of the date of this Draft Red Herring Prospectus:

1. Aadhaar Retailing Limited

2. Future Consumer Enterprise Limited

3. Future Consumer Products Limited

4. Indus League Clothing Limited

5. Indus Tree Crafts Private Limited

6. Lee Cooper India Limited

1. Aadhaar Retailing Limited

Corporate Information:

Aadhaar Retailing Limited ("ARL") was incorporated on March 10, 2006. ARL is in the business of rural and semi-urban retail distribution of agricultural and consumer products for personal and household use, including apparel, seeds, fertilizers and FMCG products. ARL is proposing to establish franchisee outlets under *"hub and spoke"* model with existing centers to serve as hubs and the franchisees working as a spoke

Capital Structure:

	No. of equity shares of Rs. 10 each
Authorised capital	2,50,00,000
Issued, subscribed and paid-up capital	2,35,00,000

Shareholding

The Company holds 1, 64, 50,000 equity shares, aggregating to 70% of the issued equity share capital, of ARL.

2. **Future Consumer Enterprises Limited**

Corporate Information:

Future Consumer Enterprises Limited was originally incorporated as Future Specialty Retail Limited on March 10, 2008. Its name was changed to its present name on April 28, 2009. Future Consumer Enterprises Limited is involved in the business of product development, designing, branding and distribution of FMCG products under brands such as "*Tasty Treat*", "*Clean Mate*", "*Care Mate*", "*Premium Harvest*" and "*Fresh and Pure*". FCEL is currently being marketed through stores owned by the Future Group, such as Big Bazar and Food Bazar.

Capital Structure:

	No. of equity shares of Rs. 10 each
Authorised capital	10,00,00,000
Issued, subscribed and paid-up capital	100,50,000

Shareholding:

The Company holds 100,50,000 equity shares, aggregating to 100% of the issued equity share capital, of Future Consumer Enterprises Limited.

3. **Future Consumer Products Limited**

Corporate Information:

Future Consumer Products Limited was incorporated on September 11, 2007. Future Consumer Products Limited is involved in the business of product development, designing, branding and distribution of FMCG products under the brand "*Sach*".

Capital Structure:

	No. of equity shares of Rs. 10 each
Authorised capital	10,00,000
Issued, subscribed and paid-up capital	10,00,000

Shareholding Pattern:

The Company holds 9,00,000 equity shares aggregating to 90% of the issued equity share capital, of Future Consumer Products Limited.

4. **Indus-League Clothing Limited**

Corporate Information:

Indus-League Clothing Limited ("Indus-League") was incorporated on November 25, 1998 and is involved in the business of desiging, manufacturing and retailing ready-made garments.

Capital Structure:

	No. of equity shares of Rs. 10 each
Authorised capital	3,00,00,000
Issued, subscribed and paid-up capital	2,93,88,725

Shareholding:

The Company holds 2,49,37,383 equity shares, aggregating to 84.85% of the issued equity share capital, of shareholding of Indus-League.

5. Indus Tree Crafts Private Limited

Corporate Information:

Indus Tree Crafts Private Limited ("ICPL") was incorporated on December 23, 1994 and is involved in the business of designing, creating, exporting, domestic retailing and distribution of a wide range of environmentally and socially sustainable products.

Capital Structure:

	No. of equity shares of Rs. 100 each
Authorised capital	1,20,000
Issued, subscribed and paid-up capital	1,05,336

Shareholding:

The Company holds 55,336 equity shares, aggregating to 52.53% of the issued equity share capital, of shareholding of ICPL.

6. Lee Cooper (India) Private Limited

Corporate Information:

Lee Cooper (India) Private Limited ("LCIP") was originally incorporated as "Apparel & Accessories Retail (India) Private Limited on April 21, 2006 and its name was subsequently changed to Lee Cooper (India) Private Limited on February 26, 2007. LCIPL is is a manufacturer and retailer of lifestyle products, including denims, trousers, jackets, shirts and shoes under the "*Lee Cooper*" brand.

Capital Structure:

	No. of equity shares of Rs. 10 each	**No. of preference shares of Rs. 10 each**
Authorised capital	18,00,000	1,62,00,000
Issued, subscribed and paid-up capital	18,00,000	82,00,000

Shareholding:

Indus-League Clothing Limited, a Subsidiary of the Company holds 18,00,000 equity shares, aggregating to 100 %, of the issued equity share capital, of shareholding of LCIPL.

BUSINESS VENTURES

The Company has seven Business Ventures. None of the Business Ventures have made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up. The information provided in this section is as of the date of this Draft Red Herring Prospectus.

1. AND Designs India Limited

Corporate Information:

AND Designs India Limited ("ADIL") was incorporated on March 14, 1995. ADIL caters to the women's apparel market, with focus on western and ethnic wear.

Registered Office:

The registered office of ADIL is located at Plot no.88, Marol Industrial Estate, M.V. Road, Andheri (East), Mumbai 400 059.

Board of Directors:

The directors of ADIL are:

a) Ashni Biyani
b) Anita Dongre
c) Meena Sehra
d) Mukesh Sawlani

Shareholding Pattern:

The shareholding pattern of ADIL as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares	Shareholding (%)
i.	Anita Dongre	50,063	25.94
ii.	Deepak Sawlani	3,250	1.68
iii.	Future Ventures India Limited	44,119	22.86
iv.	Hari Sawlani	2,762	1.43
vi.	Meena Sehra	47,688	24.71
vii.	Mukesh Sawlani	40,587	21.03
viii.	Sangita Rohira	4,500	2.33
	Total	**1,92,969**	**100.00**

Financial Performance:

Audited Financial performance of ADIL for last three fiscal years is as follows**:**

(In Rs. Lakhs, except per share data)

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2010
Net Sales	1,595.83	2,324.50	3,913.34
Other Income	25.35	9.55	10.26
Total Income	1,621.18	2,334.05	3,923.60
Net Profit after Tax/(Loss)	59.76	65.09	394.08

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2010
Equity capital	148.85	175.43	192.97
Reserves	76.97	438.40	1,041.00
Earnings per share	39.84	43.12	209.17
Book value per share	151.71	349.90	639.47

2. BIBA Apparels Private Limited

Corporate Information:

BIBA Apparels Private Limited ("BAPL") was incorporated originally incorporated in 1998 and changed its name to its present name on July 10, 2002. BAPL's business focuses on women's apparel and has an established presence in the ethnic wear segment in India.

Registered Office:

The registered office of BAPL is located at 45-54, Whitehall Kemp Corner 143, A.K. Marg, Mumbai 400 036.

Board of Directors:

The directors of BAPL are:

a) Meena Satish Bindra
b) Sanjay Satish Bindra
c) Siddharth Satish Bindra
d) Anil Biyani

Shareholding Pattern:

Shareholding Pattern of BAPL as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
i.	S.C. Bindra	16,000	3. 48
ii.	Meena Bindra	1,13,600	24.67
iii.	Sanjay Bindra	1,00,200	21.77
iv.	Punita Bindra	15,000	3.26
v.	Siddharth Bindra	87,960	19.11
vi.	Sharadha Bindra	15,000	3.26
vii.	Saurabh Modi	4,500	0.98
viii.	Kaveri Tradex Private Limited	7,740	1.68
ix.	Dhanvan Impex Private Limited	40,000	8. 69
x.	Future Ventures India Limited	60,300	13.10
	Total	**4,60,300**	**100.00**

Financial Performance:

Audited Financial performance of BAPL for last three fiscals is as follows:

(In Rs. Lakhs, except per share data)

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2010
Net Sales	6,639.09	8,079.57	9,887.85
Other Income	47.63	5.54	2.24
Total Income	6,686.72	8,085.11	9,890.09
Net Profit after tax/(Loss)	514.67	28.05	810.63
Equity capital	427.96	460.30	460.30
Reserves	1,373.80	2,125.10	2,864.71
Earnings per share	122.26	6.32	176.11
Book value per share	421.01	561.68	722.36

3. Capital Foods Exportts Private Limited ("Capital Foods")

Corporate Information:

Capital Foods Exportts Private Limited was incorporated as on September 9, 2003. Capital Foods is involved in the business of manufacturing various types of ambient and frozen processed food products. Capital Foods is also engaged in the process of exporting these products to various countries like USA, Australia, Singapore New Zealand, UAE, Canada and Europe.

Registered Office:

The registered office of Capital Foods is located at Villa Capital, Sadhana Compund, Oshiwara Bridge, S.V.Road, Jogeshwari (W), Mumbai 400 102.

Board of Directors:

a) Ajaay Gupta
b) Omprakash Varma

Shareholding Pattern:

The shareholding pattern of Capital Foods as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
i.	Ajaay Gupta	13,98,239	54.13
ii.	Vijay Gupta	40,000	1.55
iii.	Rakesh Patel	43,478	1.68
iv.	Pagoda Advisors Private Limited	47,200	1.83
v.	Future Ventures India Limited	10,54,269	40.81
	Total	25,83,186	100.00

Financial Performance:

Audited Financial performance of Capital Foods for last three fiscals is as follows:

(In Rs. Lakhs, except per share data)

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2010
Net Sales	2,117.03	1,824.23	1,847.15
Other Income	11.23	80.49	10.02
Total Income	2,128.26	1,904.73	1,857.17
Net Profit after tax/ (Loss)	178.33	53.23	67.00
Equity capital	228.20	258.32	258.32
Reserves	1,877.75	2,432.24	2,499.25
Earnings per share	7.81	2.06	2.59
Book value per share	91.77	104.16	106.75

4. Celio Future Fashion Limited

Corporate Information:

Celio Future Fashion Limited ("CFFL") was incorporated on May 5, 2008. CFFL is engaged in the business of retailing men's apparel and accessories in the Indian market.

Registered Office:

The registered office of CFFL is located at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

Board of Directors:

The directors of CFFL are:

a. Rakesh Biyani
b. Kailash Bhatia
c. Lalit Mathur
d. Ashutosh Vidwans
e. Laurent Potella
f. Pierre Parlongue

Shareholding Pattern:

The shareholding pattern of CFFL as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
i.	Indus League Clothing Limited	5,81,387	49.99*
ii.	Celio International	5,81,389	50.01
	Total	11,62,776	100

**One share each is held by Indus League Clothing Limited jointly with Sanjay Rathi, Ashutosh Vidwans, Manoj Gagvani, Neeta Singh andVimal Dhruve, respectively.*

Financial Performance:

Audited Financial performance of CFFL for the last two fiscal years is as follows:

(In Rs. Lakhs, except per share data)

Particulars	As at and for the period ended January 31, 2009	As at and for the year ended January 31, 2010
Net sales and other income	302.83	1,010.49
Net Profit after Tax/ (Loss)	(188.52)	(993.15)
Equity Capital	61.00	116.28
Reserves	1,344.00	2,283.72
Earnings per share	(146.63)	(143.24)
Book value per share	199.42	104.78

As CFFL was incorporated on May 5, 2008, financial statements for the fiscal 2008 are not available.

5. Holii Accessories Private Limited

Corporate Information:

Holii Accessories Private Limited was originally incorporated as "Purvi Mall Management Private Limited" on February 22, 2007. Subsequently, on April 13, 2009, its name was changed to Holii Accessories Private Limited ("Holii"). Holii is involved in the business of retailing fashion accessories such as leather handbags, wallets and other accessories.

Registered Office:

The registered office of Holii is located at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

Board of Directors:

a. Ashni Biyani
b. Krishan Kant Rathi

Shareholding Pattern:

The shareholding pattern of Holii as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
i.	Future Ventures India Limited	7,50,000	50.00
ii.	Hidesign India Private Limited	7,50,000	50.00
	Total	**15,00,000**	**100.00**

Financial Performance:

Audited Financial performance of Holii for last three fiscal years is as follows:

(In Rs. Lakhs, except per share data)

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2010
Total income	0.00	0.00	167.90
Net Profit after Tax	(0.18)	(0.12)	(60.89)

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2010
(Loss)			
Equity Capital	1.00	1.00	150.00
Reserves	0.00	0.00	0.00
Earnings per share	(1.76)	(1.19)	(14.05)
Book value per share	8.24	7.04	5.92

6. SSIPL Retail Limited

Corporate Information:

SSIPL Retail Limited ("SSIPL") was incorporated on October 5, 1994 and the status of the Company was changed from Private Limited to Public Limited on June 19, 2008. SSIPL is a retailer of Nike brand products.

Registered Office:

The registered office of SSIPL is located at B1 / F4 Mohan Co-operative Industrial Area, Main Mathura Road, Delhi 110 044.

Board of Directors:

The directors of SSIPL are:

a. Rishab Soni
b. Sunil Taneja
c. Ashok Mathur
d. Abhay Soi
e. Carlton Periera
f. Lalit Kishore
g. Rahul Sood
h. Sanjeev Saraf
i. Raj K. Vashioa

Shareholding Pattern:

The shareholding pattern of SSIPL as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
Promoters			
1.	Individual	42,73,510	46.09
2.	Non- Resident	4,22,500	4.56
3.	Bodies Corporate	6,24,954	6.74
Others			
4.	Residents	5,47,497	5.90
5.	Bodies Corporate	1,70,726	1.84
6.	Future Venture India Limited	6,09,197	6.57
7.	Reliance Capital Assets Management Limited	4,26,438	4.60
8.	Infrastructure Development Finance Company Limited	3,04,599	3.29
9.	IDFC- SSKI Private Limited	1,21,840	1.31
10.	Foreign Companies	17,71,127	19.10
	Total	**92,72,388**	**100.00%**

Financial Performance:

Audited Financial performance of SSIPL for the last three fiscal years is as follows:

(In Rs. Lakhs, except per share data)

Particulars	As at and for the year ended March 31, 2007	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009
Net Sales	16,390.99	22,085.05	29,885.09
Other Income	51.33	506.17	520.64
Total Income	16,442.32	22,591.22	30,405.73
Net Profit after tax/ (Loss)	(601.03)	301.00	162.77
Equity capital	658.92	883.34	927.23
Reserves	4,474.58	7,645.18	7,517.83
Earnings per share	(4.72)	4.13	2.86
Book value per share	34.39	46.58	89.60

Financial statements for Fiscal 2010 are currently in the process of being audited and summary financial information for Fiscal 2010 will be updated in the Red Herring Prospectus.

7. Turtle Limited

Corporate Information:

Turtle Limited ("Turtle") was incorporated on August 19, 1992. Turtle's business focuses on manufacturing and retailing of readymade garments.

Registered Office:

The registered office of Turtle is located at 20 Round Tank Lane, Howrah, West Bengal 711 101.

Board of Directors:

The directors of Turtle are:

a. Sanjay Jhunjhunwalla
b. Vijay Jhunjhunwalla
c. Shitanshu Jhunjhunwalla
d. Satyanarayan Jhunjhunwalla
e. Hemlata Jhunjhunwalla
f. Amit Ladsaria
g. Anu Ladsaria
h. Rakesh Biyani

Shareholding Pattern:

The shareholding pattern of Turtle as on the date of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
i.	Abadhya Jhunjhunwalla	87,700	1.46
ii.	Aman Ladsaria (minor)	23,000	0.38
iii.	Amit Ladsaria	5,86,700	9.77

Sr. No.	Name of the equity shareholder	No. of equity shares held	Shareholding (%)
iv.	Amit Ladsaria(HUF)	3,35,100	5.59
v.	Anu Ladsaria	3,55,100	5.92
vi.	Indus-League Clothing Limited	15,60,000	26.00
vii.	Hemlata Jhunjhunwalla	4,15,450	6.92
viii.	Manju Ladsaria	2,00,100	3.34
ix.	Sanjay Jhunjhunwala	13,73,300	22.89
x.	Sanjay Jhunjhunwala (HUF)	2,03,850	3.40
xi.	Saroj Jhunjhunwalla	3,05,150	5.09
xii.	Shitanshu Jhunjhunwala	47,400	0.79
xiii.	Vijay Jhunjhunwala	3,10,050	5.17
xiv.	Vijay Jhunjhunwala (HUF)	1,97,100	3.28
	Total	60,00,000	100.00

Financial Performance:

Audited Financial performance of Turtle for last three fiscal years is as follows:

(In Rs. Lakhs, except per share data)

Particulars	As at and for the year ended March 31, 2007	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2009
Net Sales	4,057.66	4,638.20	6,179.68
Other Income	13.17	30.84	49.01
Total Income	4,070.83	4,669.04	6,228.69
Net Profit after tax/(Loss)	167.78	186.24	122.03
Equity capital	600.00	600.00	600.00
Reserves	280.51	396.55	518.57
Earnings per share	2.80	3.10	2.03
Book value per share	14.68	16.61	18.64

Financial statements for Fiscal 2010 are currently in the process of being audited and summary financial information for Fiscal 2010 will be updated in the Red Herring Prospectus.

PROMOTERS AND PROMOTER GROUP

The Promoters of the Company are as follows:

Individual Promoter:

Kishore Biyani

Corporate Promoters:

1. Future Capital Investment Private Limited;
2. Future Corporate Resources Limited (erstwhile PFH Entertainment Limited);
3. Future Knowledge Services Limited;
4. Pantaloon Industries Limited; and
5. Pantaloon Retail (India) Limited.

The Individual Promoter

Kishore Biyani is the Managing Director of the Company. He is a resident Indian national. For further details, please see the section entitled "Management" on page 109.

Kishore Biyani's driving license number is 78/C/21787. He does not have a voter identification card. His passport number is Z2084994.

The Company undertakes that the permanent account number, bank account number and passport number of Kishore Biyani shall be submitted to the Stock Exchanges, at the time of filing the Draft Red Herring Prospectus with them.

***Companies with which Kishore Biyani has disassociated in the last three years*:**

The details of companies with which Kishore Biyani has disassociated in the last three years is as follows:

Sr. No.	Name of the Company with which disassociated	Reasons
1.	Idiom Design and Consulting Limited	Sale of shares
2.	AB Investment & Securities	The partnership firm has been dissolved.

For more details of Kishore Biyani, please see the section entitled "Management" on page 109.

The Corporate Promoters

The Company undertakes that of each corporate Promoters, the permanent account numbers, bank account numbers, the corporate identity numbers and the addresses of registrars of companies shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them. None of the Promoters have become sick companies under the meaning of SICA and are not under winding up.

1. Future Capital Investment Private Limited

Corporate Information

Future Capital Investment Private Limited ("FCIPL") was originally incorporated on February 6, 2006 as Future Capital Holdings Private Limited. The company changed its name to Future Capital Investment Private Limited and was consequently, granted a fresh certificate of incorporation by the ROC on July 26, 2006. FCIPL is involved in the business of investment activities.

Promoters of FCIPL

Future Corporate Resources Limited is the promoter of FCIPL.

Change in control of FCIPL

The details of change in control of FCIPL during the last three years are as follows:

Year	Name of the Shareholder	No. of equity shares held	Shareholding (%)
2010 - 2011	Future Corporate Resources Limited	9,999	99.99
2008 - 2009	Kishore Biyani	9,999	99.99

Companies with which FCIPL has disassociated in the last three years:

FCIPL has not disassociated with any company in the last three years.

2. Future Corporate Resources Limited

Corporate Information

Future Corporate Resources Limited ("FCRL") was incorporated as PFH Entertainment Limited on March 8, 1996. The company changed its name to Future Corporate Resources Limited and was consequently, granted a fresh certificate of incorporation by the ROC on February 3, 2010. FCRL is involved in the business of advertisement, space hiring, event management and feature films production and proposes to venture into new lines of business, such as providing various corporate services directly or through acquired businesses mainly information technology, education development and commercial usage of intellectual property and other corporate services.

Promoters of FCRL

The promoters of FCRL are:

(a) Kishore Biyani
(b) Vijay Biyani
(c) Anil Biyani
(d) Sunil Biyani
(e) Rakesh Biyani

Change in control of FCRL:

The details of change in control of FCRL during the last three years are as follows:

Year	Name of the Shareholder	No. of equity shares held	Shareholding (%)
2009-2010	Simpleton Investrade Private Limited	2,44,68,802	97.88
	Manz Retail Private Limited	79,193	0.32
	Akar Estate & Finance Private Limited	3,70,000	1.48
	Kishore Biyani and his relatives	82,005	0.32
2008-2009	Simpleton Investrade Private Limited	23,48,802	78.29
	Manz Retail Private Limited	79,193	2.64
	Akar Estate & Finance Private Limited	3,70,000	12.33
	Kishore Biyani and his relatives	82,004	2.74
	Varnish Trading Private Limited	60,000	2.00

Year	Name of the Shareholder	No. of equity shares held	Shareholding (%)
	ESES Commercials Private Limited	60,000	2.00
2007-2008	Akar Estate & Finance Private Limited	3,70,000	40.13
	Manz Retail Private Limited	89,200	9.67
	Kishore Biyani and his relatives	2,38,000	25.82
	Others- Public	2,24,800	24.38

***Companies with which FCRL has disassociated in the last three years*:**

FCRL has not disassociated with any company in the last three years.

3. Future Knowledge Services Limited

Corporate Information

Future Knowledge Services Limited ("FKSL") was incorporated on January 18, 2007 and is involved in the business of training centre and IT solution services.

Promoters of FKSL

PRIL is the promoter of FKSL. Future Corporate Resources Limited holds 38.75% of the issued equity share capital of PRIL and holds 22.39 % class B shares. For promoters of Future Corporate Resources Limited, please see the section entitled "Promoters and Promoter Group - Corporate Promoters - FCRL" on page 135.

Change in control of FKSL

There has been no change in control or management of FKSL in the three years preceding the date of filing of this Draft Red Herring Prospectus.

Companies with which FKSL has disassociated in the last three years:

FKSL has not disassociated with any company during the last three years.

4. Pantaloon Industries Limited

Corporate Information

PIL was originally incorporated as Bansi Textile Industries Private Limited on July 15, 1987 and was converted to a public limited company on June 5, 1992 and its name was changed to Bansi Textile Industries Limited and subsequently, its name was changed to Pantaloon Textile Industries Limited. On November 4, 1999 the name was changed to PIL. PIL is involved in the business of trading in textiles, apparels and general merchandise and it also makes strategic investment its allied activities.

Promoters of PIL

The promoters of PIL are:

a) Kishore Biyani
b) Vijay Biyani
c) Anil Biyani
d) Sunil Biyani

Change in control of PIL

The details of change in control of FCRL during the last three years are as follows:

Year	Name of the Shareholder	No. of equity shares held	Shareholding (%)
2009-2010	Kishore Biyani and his relatives	23,06,374	34.92
	ESES Commercials Private Limited	1,82,000	2.76
	Manz Retail Private Limited	10,64,927	16.12
2008-2009	Kishore Biyani and his relatives	23,06,374	34.92
	ESES Commercials Private Limited	1,82,000	2.76
	Future Corporate Resources Limited	13,87,442	21.01
	Manz Retail Private Limited	17,14,927	25.96
	Varnish Trading Private Limited	7,13,246	10.80
2007-2008	Kishore Biyani and his relatives	23,06,374	34.92
	ESES Commercials Private Limited	1,82,000	3.11
	Varnish Trading Private Limited	7,13,246	12.17
	Future Corporate Resources Limited	13,84,161	23.06
	Manz Retail Private Limited	9,68,306	16.53

Companies with which PIL has disassociated in the last three years:

PIL has not disassociated with any company in the last three years.

5. Pantaloon Retail (India) Limited ("PRIL")

Corporate Information

PRIL was incorporated originally incorporated as Manz Wear Private Limited on October 12, 1987. It was converted into a public limited company on September 20, 1991 and on September 25, 1992 the name was changed to Pantaloon Fashions (India) Limited. In the same year PRIL made an initial public offering of its equity shares and changed its name to Pantaloon Retail (India) Limited on July 7, 1999. The main business of PRIL is organized retailing of a range of branded and private label apparel, footwear, perfumes, cosmetics, jewellery, leather products and accessories, home products, books, music and toys in stores or malls operated or managed by PRIL.

Promoters of PRIL

The promoter of PRIL is:
Kishore Biyani. For further details, please see the section entitled "Management" and "Promoters and Promoter Group" on pages 109 and 134.

Change in control of PRIL

There has been no change in control or management of PRIL during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Companies with which PRIL has disassociated in the last three years:

PRIL has disassociated with Alpha Future Airport Retail Private Limited in the last three years due to termination of the joint venture.

Interests of Promoters and Common Pursuits

The Promoters of the Company are interested to the extent of their shareholding in the Company. For details of the Promoters' shareholding in the Company, please see the section entitled "Capital Structure" on page 29.

Further, the Kishore Biyani, who is also a Director of the Company may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to him. For further details, please see the section entitled "Management" on page 109.

Further, Kishore Biyani is also a director on the boards of, or is a member of, certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by the Company, if any, to such Promoter Group entities. For the payments that are made by the Company to certain Promoter Group entities, please refer to the section entitled "Related Party Transactions" on page 153.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by the Company other than in the normal course of business.

Further, the Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by the Company.

Payment of benefits to the Promoters

Except as stated in the section entitled "Related Party Transactions" on page 153 of this Draft Red Herring Prospectus, there has been no payment of benefits to the Promoters during the two years prior to the filing of this Prospectus.

Confirmations

Further, none of the Promoters has been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material Developments" beginning on page 259.

In addition to the Promoters, the following entities constitute the Promoter Group of the Company:

1. Natural persons who are a part of the Promoter Group

Sr. No.	Name	Relationship with the Promoters
1.	Anil Biyani	Brother of Kishore Biyani
2.	Ashni Didwania	Daughter of Kishore Biyani
3.	Avani Biyani	Daughter of Kishore Biyani
4.	Godavari Biyani	Mother of Kishore Biyani
5.	Kiran Saxeria	Sister of Kishore Biyani
6.	Laxminarayan Biyani	Father of Kishore Biyani
7.	Madanlal Rathi	Father of Sangita Biyani
8.	Meena Bagree	Sister of Sangita Biyani
9.	Nilima Saboo	Sister of Sangita Biyani
10.	Rajesh Rathi	Brother of Sangita Biyani
11.	Sangita Biyani	Spouse of Kishore Biyani
12.	Taradevi Rathi	Mother of Sangita Biyani
13.	Vijay Biyani	Brother of Kishore Biyani

2. Corporate entities forming a part of the Promoter Group

Companies

(i). Akar Estate Finance Private Limited
(ii). Apollo Design Apparel Park Limited
(iii). Avanee and Ashni Securities Private Limited
(iv). Dhanshree Fashions Private Limited
(v). ESES Commercials Private Limited
(vi). Fashion Global Retail Limited
(vii). Future Brands Limited
(viii). Future Generali India Insurance Company Limited
(ix). Future Generali India Life Insurance Company Limited
(x). Future Ideas Company Limited
(xi). Future Realtors (India) Private Limited
(xii). Goldmohur Design and Apparel Parks Limited
(xiii). Gupta Infrastructure India Private Limited
(xiv). Kamadgiri Synthetics Limited
(xv). Manz Retail Private Limited
(xvi). Pan India Food Solutions Private Limited
(xvii). Simpleton Investrade Private Limited
(xviii). Shrishti Mall Management Company Private Limited
(xix). Staples Future Office Products Private Limited
(xx). Surplus Finvest Private Limited
(xxi). Talwalkar Pantaloon Fitness Private Limited
(xxii). Utsav Mall Management Company Private Limited

Partnerships:

(i). Bandhan
(ii). SMS Enterprises
(iii). BLB Trading & Investment Consultants

HUF:

(i). Laxminarayan Biyani HUF

GROUP COMPANIES

Companies forming part of the Group Companies

Unless otherwise stated none of the companies forming part of the Group Companies is a sick company under the meaning of SICA and none of them are under winding up.

The Group Companies are as follows:

Companies

Sr. No.	Name of the company
1.	Ambit Investment Advisory Company Limited
2.	Anchor Investment and Trading Private Limited
3.	Asian Retail Lighting Limited
4.	Axon Development Solutions Limited
5.	CIG Infrastructure Private Limited
6.	FLSL Distribution Services Limited
7.	Future Agrovet Limited
8.	Future Axiom Telecom Limited
9.	Future Capital Financial Services Limited
10.	Future Capital Holdings Limited
11.	Future Capital Investment Advisors Limited
12.	Future E-Commerce Infrastructure Limited
13.	Future Entertainment Private Limited
14.	Future Finance Limited
15.	Future Hospitality Management Limited
16.	Future Human Development Limited
17.	Future Ideas Realtors India Limited
18.	Future Learning and Development Limited
19.	Future Mall Management Limited
20.	Future Media (India) Limited
21.	Future Merchandising Limited
22.	Future Mobile and Accessories Limited
23.	Future Outdoor Media Solutions Limited
24.	Future Supply Chain Solutions Limited
25.	Future Value Retail Limited
26.	Futurebazaar India Limited
27.	Galaxy Entertainment Corporation Limited
28.	Home Solutions Retail (India) Limited
29.	Kshitij Investment Advisory Company Limited
30.	Kshitij Property Solutions Private Limited
31.	Myra Mall Management Company Limited
32.	Rural Fairprice Wholesale Limited
33.	Sain Advisory Services Private Limited
34.	Shendra Advisory Services Private Limited
35.	Weavette Texstyles Limited
36.	Whole Wealth Limited
37.	Winner Sports Limited

HUF:

Kishore Biyani HUF

A. Details of the five largest Group Companies (based on turnover)

The top five Group Companies on the basis of total turnover are as follows:

1. Future Capital Holdings Limited

Corporate Information:

Future Capital Holdings Limited was originally incorporated on October 18, 2005 as KB Infin Private Limited ("KB Infin"). PRIL acquired the entire share capital of KB Infin and was subsequently converted to a public limited company on August, 21, 2006. Subsequently, its name was changed to Future Capital Holdings Limited on December 21, 2006. Future Capital Holdings Limited is involved in the business of providing retail financial services, corporate lending, wholesale credit, trade finance and asset management and advisory services.

Interest of the Promoter

Kishore Biyani holds 4,773,795 equity shares, aggregating to 7.51% of the issued and paid up equity share capital of Future Capital Holdings Limited.

Financial Performance

Financial Summary of Future Capital Holdings Limited for the last three years:

(Rs. in Lakhs except per share data)

Particulars	Fiscal 2008	Fiscal 2009	Fiscal 2010
Sales and other income	8,136.82	13,580.00	5,579.07
PAT/(Loss)	888.93	930.86	1,731.79
Reserves and Surplus (excluding revaluation reserves)	66,086.88	68,008.69	68,997.24
Earning per equity share	1.66	1.47	2.73
Book value per equity share	114.52	117.05	118.61

Share Price Information

The equity shares of Future Capital Holdings Limited are listed on BSE and NSE.

The monthly high and low of the market price of the equity shares of Future Capital Holdings Limited having a face value of Rs. 10 each on BSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
July 2010	259.00	206.00
June 2010	212.00	149.80
May 2010	178.80	140.05
April 2010	196.40	172.10
March 2010	208.25	165.00
February 2010	190.00	163.90

Source: www.bseindia.com

The monthly high and low of the market price of the equity shares of Future Capital Holdings Limited having a face value of Rs. 10 each on NSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
July 2010	259.30	205.00
June 2010	211.95	150.50
May 2010	179.00	140.50
April 2010	196.20	172.00
March 2010	208.10	158.00
February 2010	194.80	165.05

Source: www.nseindia.com

2. Home Solutions Retail (India) Limited

Corporate Information:

Home Solutions Retail (India) Limited was incorporated on October 4, 2004 and is involved in the business of retailing various home appliances and providing professional expertise for home improvement and other services.

Interest of the Promoter

PRIL holds 20,151,095 equity shares, aggregating to 66.86% of the issued and paid up equity share capital of Home Solutions Retail (India) Limited.

Financial Performance

Financial Summary of Home Solutions Retail (India) Limited for Fiscal 2007, 2008 and 2009:

(Rs. in Lakhs except per share data)

Particulars	Fiscal 2007	Fiscal 2008	Fiscal 2009
Sales and other Income	32,651.06	90,834.87	1,09,272.16
PAT/(Loss)	(4,089.17)	(6,059.11)	(573.46)
Reserves and Surplus (excluding revaluation	12,704.29	15,144.29	29,507.83
Earning per equity share	(19.31)	(24.32)	(2.08)
Book value per Share	44.62	26.84	70.40

3. Future Agrovet Limited

Corporate Information:

Future Agrovet Limited was originally incorporated as Pantaloon Food Product (India) Limited on April 13, 2005 and subsequently, changed its name to Future Agrovet Limited on November 19, 2008. Future Agrovet Limited is involved in the business of dealing in all kinds of food products and staples.

Interest of the Promoter

PRIL holds 3,51,00,000 equity shares, aggregating to 96.16% of the issued and paid up equity share capital of Future Agrovet Limited.

Financial Performance

Financial Summary of Future Agrovet Limited for Fiscal 2007, 2008 and 2009:

(Rs. in Lakhs except per share data)

Particulars	Fiscal 2007	Fiscal 2008	Fiscal 2009
Sales and other Income	14,798.26	19,038.28	39,236.11
PAT/(Loss)	34.24	(313.51)	(305.98)
Reserves and Surplus (excluding revaluation	41.69	-	-
Earning per equity share	49.18	(5.12)	(1.12)
Book value per Share	11.15	8.71	8.42

4. Future Supply Chain Solutions Limited

Corporate Information:

Future Supply Chain Solutions Limited was originally incorporated as Future Logistic Solutions Limited on March 8, 2006 and changed to its present name on October 23, 2009. It is engaged in the business of providing logistics, transportation and warehousing services.

Interest of the Promoter

Pantaloon Retail (India) Limited 27,462,962 equity shares of Future Supply Chain Solutions Limited aggregating to 94.82% of the total paid-up and issued capital in Future Supply Chain Solutions Limited.

Financial Performance

Financial Summary of Future Supply Chain Solutions Limited for Fiscal 2007, 2008 and 2009:

(Rs. in Lakhs except per share data)

Particulars	Fiscal 2007	Fiscal 2008	Fiscal 2009
Sales and other Income	372.78	11,294.86	19,366.91
PAT/(Loss)	(195.16)	(244.53)	24.24
Reserves and Surplus (excluding revaluation	-	-	-
Earning per equity share	(390.32)	(8.46)	0.12
Book value per Share	(381.62)	7.80	8.34

5. Galaxy Entertainment Corporation Limited

Corporate Information:

Galaxy Entertainment Corporation Limited was incorporated on August 13, 1981. It is engaged in the business of providing entertainment and leisure related activities with family entertainment centers, sports bars, bowling and video games.

Interest of the Promoter

PRIL holds 49,37,935 equity shares, aggregating to 31.55% of the issued and paid up equity share capital of Future Capital Holdings Limited.

Financial Performance

The summary audited financial statements of Galaxy Entertainment Corporation Limited for the last three Fiscals

(Rs. in Lakhs, except per share data)

Particulars	Fiscal 2008	Fiscal 2009	Fiscal 2010
Sales and other Income	3,506.807	3,661.19	3,351.80
PAT/(Loss)	(364.53)	(1,940.51)	(1,999.92)
Reserves and Surplus (excluding revaluation	3,365.60	3,365.60	3,365.60
Earning per equity share	2.53	12.40	12.78
Book value per Share	30.55	2.00	0.73

Share Price Information

The equity shares of Galaxy Entertainment Corporation Limited are listed on BSE.

The monthly high and low of the market price of the equity shares of Galaxy Entertainment Corporation Limited having a face value of Rs. 10 each on BSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
July 2010	22.70	20.30
June 2010	24.25	19.25
May 2010	24.80	17.00
April 2010	23.40	17.65
March 2010	24.00	19.00
February 2010	24.95	18.70

Source: www.bseindia.com

B. Group Companies with negative net worth

1. Axon Development Solutions Limited

Corporate Information:

Axon Development Solutions Limited was incorporated on April 25, 2008 and seeks to provide consulting services for all development and leasing related activities pertaining to the real estate industry.

Interest of the Promoter

The Promoters do not hold any equity shares in Axon Development Solutions Limited.

Financial Performance

The summary audited financial statements of Axon Development Solutions Limited for Fiscal 2009 and 2010:

(In Rs, except per share data)

Particulars	Fiscal 2008	Fiscal 2009	Fiscal 2010
Sales and other income	N.A	-	-
PAT/(Loss)	N.A	(4,39,363)	(75,624)
Reserves and Surplus (excluding revaluation reserves)	N.A	(4,39,363)	(5,14,987)
Earning per equity share	N.A	(11.06)	(1.51)

Particulars	Fiscal 2008	Fiscal 2009	Fiscal 2010
Book value per equity share	N.A	1.21	(0.30)

Details of other Group Companies

1. Ambit Investment Advisory Company Limited

Corporate Information:

Ambit Investment Advisory Company Limited was incorporated on August 3, 2005 and is involved in the business of providing financial, investment advisory services, management and facilitation services.

Interest of the Promoter:

The Promoters do not hold any equity shares in Ambit Investment Advisory Company Limited.

2. Anchor Investment and Trading Private Limited

Corporate Information:

Anchor Investment and Trading Private Limited was incorporated in Mauritius on August 16, 2007 and is involved in the business of investment and trading.

Interest of the Promoter:

Pantaloon Industries Limited has beneficial interest in Anchor Malls Investment and Trading Private Limited.

3. Asian Retail Lighting Limited

Corporate Information:

Asian Retail Lighting Limited was incorporated on January 10, 2007 and is involved in the business of providing lighting solutions.

Interest of the Promoter:

Future Corporate Resources Limited holds 16,68,960 equity shares, aggregating to 53.49% of the total issued and paid up equity share capital of Asian Retail Lighting Limited.

4. CIG Infrastructure Private Limited

Corporate Information:

CIG Infrastructure Private Limited was incorporated on November 28, 2005 and is involved in the business of real estate promotion and development.

Interest of the Promoter

PRIL holds 5,100 equity shares, aggregating to 51.00 % of the issued and paid up equity share capital of CIG Infrastructure Private Limited.

5. **FLSL Distribution Services Limited**

Corporate Information:

FLSL Distribution Services Limited was incorporated on December 19, 2008. The Company is engaged in the business of providing distribution and logistic services.

Interest of the Promoter

The Promoters do not hold any equity shares in FLSL Distribution Services Limited.

6. **Future Axiom Telecom Limited**

Corporate Information:

Future Axiom Telecom Limited was originally incorporated on February 7, 2006 as Convergem Retail (India) Limited. Its name was subsequently changed to Convergem Communication (India) Limited with effect from August 27, 2007. On July 21, 2008 its name was changed to its present name. Future Axiom Telecom Limited is involved in the business of providing distribution and logistic services.

Interest of the Promoter:

PRIL holds 1,00,00,000 equity shares, aggregating to 50.00% of the issued and paid up equity share capital of Future Axiom Telecom Limited.

7. **Future Capital Financial Services Limited**

Corporate Information:

Future Capital Financial Services Limited was originally incorporated as Future Finmart Limited on January 25, 2007 and subsequently, changed its name Future Capital Financial Services Limited on April 16, 2008. Future Capital Financial Services Limited is involved in the business of providing retail financial services, wholesale credit and acting as direct selling agents, franchises, licenses, authorized sales agents for any kind of financial and saving instruments.

Interest of the Promoter

The Promoters do not hold any equity shares in Future Capital Financial Services Limited.

8. **Future Capital Investment Advisors Limited**

Corporate Information:

Future Capital Investment Advisors Limited was originally incorporated on November 21, 2005 as Indivision Investment Advisors Limited. Subsequently, on January 5, 2009 its name was changed to Future Capital Investment Advisors Limited. It is involved in the business of providing investment consultancy and financial advisory services.

Interest of the Promoter

The Promoters do not hold any equity shares in in Future Capital Investment Advisors Limited.

9. **Future E-Commerce Infrastructure Limited**

Corporate Information:

Future E-Commerce Infrastructure Limited was incorporated on May 25, 2007 and is involved in the business of dealing in all kinds of goods and products (including services) through electronic mode.

Interest of the Promoter

The Promoters do not hold any equity shares in in Future E-Commerce Infrastructure Limited.

10. **Future Entertainment Private Limited**

Corporate Information:

Future Entertainment Private Limited was incorporated on December 19, 2006 and is involved in the business of providing entertainment and media solutions.

Interest of the Promoter:

Kishore Biyani holds 9,999 equity shares, aggregating to 99.99% of the issued and paid up equity share capital of Future Entertainment Private Limited.

11. **Future Finance Limited**

Corporate Information:

Future Finance Limited was incorporated on October 14, 1991 as Sivagami Finance and Investment Private Limited. Its name was changed to Sivagami Finance and Investment Limited with effect from June 27, 1995. Subsequently, the name was changed to Future Finance Limited with effect from October 18, 2007. It is involved in the business of providing finance, factoring, investment, hire purchase and leasing and to finance industrial, trading and manufacturing.

Interest of the Promoter

The Promoters do not hold any equity shares in Future Finance Limited.

12. **Future Human Development Limited**

Corporate Information:

Future Human Development Limited was originally incorporated on January 18, 2007 as Home Solutions Services India Limited and changed its name to its present name on March 2, 2010. Future Human Development Limited is involved in the business of training and developing human resources.

Interest of the Promoter:

Future Corporate Resources Limited holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Future Human Development Limited.

13. **Future Hospitality Management Limited**

Corporate Information:

Future Hospitality Management Limited was incorporated on March 31, 2007 and is involved in the business of managing and developing business of hotels, long stay apartments, service apartments, motels and restaurants.

Interest of the Promoter

The Promoters do not hold any equity shares in Future Hospitality Management Limited.

14. Future Ideas Realtors India Limited

Corporate Information:

Future Ideas Realtors India Limited was originally incorporated on November 5, 2007 as Future Realtors India Limited and changed to its present name on December 18, 2007. Future Ideas Realtors India Limited is involved in the business of realty.

Interest of the Promoter

Future Corporate Resources Limited holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Future Ideas Company Limited.

15. Future Learning and Development Limited

Corporate Information:

Future Learning and Development Limited was incorporated on April 10, 2008 and is involved in the education and learning sector.

Interest of the Promoter

PRIL holds 2,82,65,550 equity shares, aggregating to 100 % of the issued and paid up equity share capital of Future Learning and Development Limited.

16. Future Mall Management Limited

Corporate Information:

Future Mall Management Limited was incorporated on March 10, 2008 and is involved in the business of mall management.

Interest of the Promoter

PRIL holds 50,000 equity shares, aggregating to 100 % of the issued and paid up equity share capital of Future Mall Management Limited.

17. Future Media (India) Limited

Corporate Information:

Future Media (India) Limited was incorporated on March 8, 2006 and is involved in the business of media and advertising.

Interest of the Promoter

PRIL holds 21,06,062 equity shares, aggregating to 84.24 % of the issued and paid up equity share capital of Future Media (India) Limited.

18. Future Merchandising Limited

Corporate Information:

Future Merchandising Limited was incorporated on March 10, 2008 and is involved in the business of general merchandising.

Interest of the Promoter

The Promoters do not hold any equity shares in Future Merchandising Limited.

19. Future Mobile and Accessories Limited

Corporate Information:

Future Mobile and Accessories Limited was incorporated on June 23, 2007 and is involved in the business of dealing in communication products.

Interest of the Promoter

PRIL holds 55,50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Future Mobile and Accessories Limited.

20. Future Outdoor Media Solutions Limited

Corporate Information:

Future Outdoor Media Solutions Limited was incorporated on April 10, 2008 and is involved in the business of providing media services.

Interest of the Promoter

Future Corporate Resources Limited holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Future Outdoor Media Solutions Limited.

21. Future Supply Chain Solutions Limited

Corporate Information:

Future Supply Chain Solutions Limited was originally incorporated as Future Logistic Solutions Limited on March 8, 2006 and changed to its present name on October 23, 2009. It is engaged in the business of providing logistics and transportation services.

Interest of the Promoter

PRIL holds 2,74,62,962 equity shares, aggregating to 94.82% of the issued and paid up equity share capital of Future Supply Chain Solutions Limited.

22. Future Value Retail Limited

Corporate Information:

Future Value Retail Limited was originally incorporated as Pantaloon Future Venture Limited on July 11, 2007. On November 16, 2009, the name of the company was changed to Future Value Retail Limited. It is engaged in the business of retailing consumer goods/fast moving goods through various organized retail formats.

Interest of the Promoter

PRIL holds 6,64,99,912 equity shares, aggregating to 100% of the issued and paid up equity share capital of Future Value Retail Limited.

23. Futurebazaar India Limited

Corporate Information:

Futurebazaar India Limited was incorporated on January 23, 2006 and is involved in the business of retailing of all kinds of consumer goods and products through electronic mode.

Interest of the Promoter

PRIL holds 191,60,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Futurebazaar India Limited.

24. Kshitij Investment Advisory Company Limited

Corporate Information:

Kshitij Investment Advisory Company Limited was originally incorporated as PFH Investment Advisory Company Limited on December 31, 2004 and its name was changed to its present name on April 19, 2006. Kshitij Investment Advisory Company Limited is involved in the business of business of providing financial, investment advisory services, management and facilitation services.

Interest of the Promoter

Kishore Biyani holds one equity share jointly with Future Capital Holdings Limited, aggregating to 0.00003 % of the issued and paid up equity share capital of Kshitij Investment Advisory Company Limited.

25. Kshitij Property Solutions Private Limited

Corporate Information:

Kshitij Property Solutions Private Limited was incorporated on April 25, 2006 as Satyam Mall Management Private Limited and subsequently its name was changed to Kshitij CapitaLand Mall Management Private Limited on April 26, 2008. It is involved in the business of mall management services.

Interest of the Promoter

The Promoters do not hold any equity shares in Kshitij Property Solutions Private Limited.

26. Myra Mall Management Company Limited

Corporate Information:

Myra Mall Management Company Limited was incorporated on March 2, 2006 and is involved in the business of acquiring, improving, building, selling leasing, managing, commercially exploiting and dealing in real estate and properties of diverse natures.

Interest of the Promoter

The Promoters do not hold any equity shares in Myra Mall Management Company Limited.

27. Rural Fairprice Wholesale Limited

Corporate Information:

Rural Fairprice Wholesale Limited was incorporated on September 1, 2009 and is involved in the business of wholesale staples and food products.

Interest of the Promoter

Kishore Biyani holds 49,994 equity shares, aggregating to 99.99% of the issued and paid up equity share capital of Rural Fairprice Wholesale Limited.

28. Sain Advisory Services Private Limited

Corporate Information:

Sain Advisory Services Private Limited was originally incorporated as Sain Marketing Network Private Limited on March 10, 2005 and changed to its present name on July 19, 2007. It is involved in the business of providing advisory services.

Interest of the Promoter

PRIL holds 8,66,12,431 equity shares, aggregating to 49.80 % of the issued and paid up equity share capital of Sain Advisory Services Private Limited.

Pantaloon Industries Limited holds 8,66,12,431 equity shares aggregating to 49.80% of the issued and paid up equity share capital of Sain Advisory Services Private Limited.

29. Shendra Advisory Services Private Limited

Corporate Information:

Shendra Advisory Services Private Limited was originally incorporated on November 11, 2005 as Shendra Infrastructure Development Limited. Subsequently, its name was changed to Shendra Infrastructure Development Private Limited on March 21, 2007 and changed to its present name on July 26, 2007. It is involved in the business of providing advisory services.

Interest of the Promoter:

PRIL holds 3,81,70,000 equity shares, aggregating to 49.80% of the issued and paid up equity share capital of Shendra Advisory Services Private Limited.

Pantaloon Industries Limited holds 3, 81,70,000 equity shares aggregating to 49.80% of the issued and paid up equity share capital of Shendra Advisory Services Private Limited.

30. Weavette Texstyles Limited

Corporate Information:

Weavette Texstyles Limited was incorporated on December 8, 1994 and is involved in the business of manufacturing of fabrics and textiles.

Interest of the Promoter

Pantaloon Industries Limited holds 15,30,000 equity shares, aggregating to 51 % of the issued and paid up equity share capital of Weavette Texstyles Limited.

31. Whole Wealth Limited

Corporate Information:

Whole Wealth Limited was incorporated on June 28, 2006 and is registred under the Hong Kong Ordinance (Chapter 32) and is involved in the business of exporting and importing consumer durable goods.

Interest of the Promoter:

Pantaloon Industries Limited holds 51,48,000 equity shares, aggregating to 60.00% of the issued and paid up equity share capital of Whole Wealth Limited.

32. Winner Sports Limited

Corporate Information:

Winner Sports Limited was originally incorporated as Winner Sports Limited on June 1, 2007. The name was changed to its present name with effect from January 20, 2010. It is engaged in the business of retailing of sports goods.

Interest of the Promoter

PRIL holds 2,40,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Winner Sports Limited and 760,000 preference shares aggregating to 100% of the issued and paid up preference share capital of Winner Sports Limited.

RELATED PARTY TRANSACTIONS

For details of related party transactions, please see the section entitled "Financial Statements - Related Party Transactions" and on pages 181 and 239, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of the Company, in their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of the Company.

The payment of dividends will not form a central part of investment objective of the Company, but the Company may choose to distribute dividends as and when it considers appropriate.

The Company has not paid any dividend for the last three years.

SECTION V: FINANCIAL STATEMENTS

EXAMINATION INFORMATION

The Board of Directors,
FUTURE VENTURES INDIA Limited
Mumbai

Dear Sirs,

Re: Public issue of Equity Shares of FUTURE VENTURES INDIA Limited

1. We have examined the financial information of FUTURE VENTURES INDIA LIMITED ("the Company" or "the Issuer") annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus ("the DRHP"). The financial information has been prepared in accordance with the requirements of paragraph B of Part II of Schedule II to the Companies Act, 1956 ("the Act"), the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulation, 2009 (the "ICDR Regulations") notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") and terms of engagement agreed upon by us with the Company. The financial information has been prepared by the Company and approved by its Board of Directors.

2. The financial information have been extracted by the Management from the financial statements for the year ended March 31, 2006, March 31, 2007, March 31, 2008, March 31,2009 and March 31, 2010. Audit for the financial year ended March 31, 2006 and March 31, 2007 was conducted by the previous auditor, Mr. Jaya Jaya Raman, Chartered Accountant and adopted by the Members of those respective years. Accordingly, reliance has been placed on the financial information audited by him for the said years.

3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The "Statement of Assets and Liabilities, as Restated" of the Company, including the "Statement of Assets and Liabilities, as Restated" as at March 31, 2006 and March 31, 2007 examined and reported upon by the previous auditor, Mr. Jaya Jaya Raman on which reliance has been placed by us, and as at March 31, 2008, March 31, 2009 and March 31, 2010 examined by us, as set out in Annexure I to III respectively to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes (Refer Annexures IV to XXIII).

   (b) The "Statement of Profit and Losses, as Restated" and the "Statement of Cash Flows, as Restated" of the Company, including the "Statement of Profit and Losses, as Restated" and the "Statement of Cash Flows, as Restated" for the year ended March 31, 2006 and March 31, 2007 examined and reported upon by the previous auditor, Mr. Jaya Jaya Raman on which reliance has been placed by us, and for the year ended March 31, 2008, March 31, 2009 and March 31, 2010 examined by us, as set out in Annexure I to III respectively to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes (Refer Annexures IV to XXIII).

   (c) Based on the above and also as per the reliance placed on the reports submitted by the previous auditor, Mr. Jaya Jaya Raman, for the respective years, we are of the opinion that the restated financial information have been made after incorporating:

      i. Adjustment for material amounts relating to prior years in the restated financial information in the respective financial years to which they relate;

ii. There are no extra-ordinary items that need to be disclosed seperately in the accounts and no qualifications requiring adjustments.

(d) We have also examined the following other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31, 2008, March 31, 2009 and March 31, 2010. In respect of the years ended March 31, 2006 and March 31, 2007, this information has been included based upon the reports submitted by previous auditor Mr. Jaya Jaya Raman and relied upon by us.

Details of Other Financial Information	Annexure reference
Share Capital	V
Reserves and Surplus	V
Fixed Assets	VI
Investments	VII
Cash and Bank Balances	VIII
Statement of Other Current Assets	IX
Statement of Current Liabilities and Provisions	X
Statement of Deferred Tax	XI
Income from Operations	XII
Statement of Other Income	XIII
Employee Costs	XIV
Administrative and Other Expenses	XV
Disclosure relating to Employee Benefits	XVI
Segment Reporting	XVII
Related Party Transactions	XVIII
Provisions, Contingent Liabilities and Contingent Assets	XIX
Share Purchase Obligation	XX
Tax Shelter Statement	XXI
Statement of Accounting and Other Ratios	XXII
Capitalization Statement	XXIII

(e) Based on our examination of the financial information of the Company attached to this report, we state that in our opinion the financial information contained in Annexure I to III of this report read along with the Significant Accounting Policies and Notes (Refer Annexure IV to XXIII) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Guidelines.

4. This report should not in any way be construed as a reissuance of any of our previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

5. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521
Place: Chennai
Date: August 10, 2010

Annexure I

Statement of Assets and Liabilities, as Restated

(INR in Lakhs)

Particulars		**As At**				
	Annexure	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
A. Fixed Assets	**VI**					
Gross Block		56.50	58.67	35.12	7.23	7.27
Less: Depreciation		(25.77)	(14.84)	(2.08)	(6.86)	(6.73)
Net Block		30.73	43.83	33.04	0.37	0.54
Total Fixed Assets (A)		**30.73**	**43.83**	**33.04**	**0.37**	**0.54**
B. Deferred Tax Asset (Net) (B)	**XI**	**1.22**	**2.53**	**(0.93)**	**0.00**	**0.00**
C. Investment	**VII**	**45,398.32**	**27,885.19**	**30,903.95**	**0.00**	**0.00**
D. Current Assets, Loans & Advances						
Cash and Bank Balances	**VIII**	1,134.96	715.37	128.39	34.95	27.21
Other Current Assets	**IX**	11,811.94	6,994.60	12,406.05	17.56	22.84
Total Current Assets, Loans and Advances (D)		**12,946.90**	**7,709.97**	**12,534.44**	**52.51**	**50.05**
E. Liabilities and Provisions						
Current Liabilities	**X**	45.06	141.53	7,473.03	0.65	0.65
Provisions	**X**	461.46	44.85	29.83	8.11	6.97
Total Liabilities and Provisions (E)		**506.52**	**186.38**	**7,502.86**	**8.76**	**7.62**
F. Net Worth (A) + (B)+ (C) + (D)-(E)		**57,870.65**	**35,455.14**	**35,967.64**	**44.12**	**42.97**
G. Represented By:						
Share Capital (including Share Application)	**V**	57,624.37	36,884.37	36,384.37	29.37	29.37
Reserves and Surplus	**V**	5.79	5.79	5.79	11.27	10.35
Statutory Reserve Fund	**V**	338.58	3.48	3.48	3.48	3.25
Debit Balance in Profit & Loss Account	**II**	(98.09)	(1,438.50)	(426.00)	0.00	0.00
Net Worth		**57,870.65**	**35,455.14**	**35,967.64**	**44.12**	**42.97**

The accompanying significant accounting policies and notes to accounts (Annexure IV) form an integral part of this statement.

Annexure II

Statement of Profit and Loss, as Restated

(INR in Lakhs)

Particulars		For the Years Ended				
	Annexure	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Income from Operations	XII	2,575.34	(389.52)	507.54	3.12	2.77
Interest on Deposits		0.38	79.05	0.64	2.40	1.16
Other Income	XIII	0.00	8.14	0.27	0.25	0.49
Profit on Sale of Assets		0.00	0.00	0.06	0.00	0.00
Total Income		**2,575.72**	**(302.33)**	**508.51**	**5.77**	**4.42**
Employee Costs	XIV	300.77	234.00	80.45	1.20	0.60
Administrative and Other Expenses	XV	161.55	463.82	819.56	1.65	1.76
Financing Charges		0.00	0.00	11.41	0.00	0.00
Depreciation	VI	11.56	12.76	2.14	0.13	0.21
Depreciation – Prior Period		0.00	0.00	0.00	0.00	0.00
Provision for Non-Performing Assets		0.00	0.00	0.00	1.02	1.23
Total Expenditure		**473.88**	**710.58**	**913.56**	**4.00**	**3.80**
Net Profit Before Taxation		2,101.84	(1,012.91)	(405.05)	1.77	0.62
Provision for Taxation						
- Income Tax		425.00	0.00	25.00	0.61	0.23
- Deferred Tax		1.32	(3.46)	0.93	0.00	0.00
- Fringe Benefit Tax		0.00	3.05	0.50	0.00	0.00
Net Profit/(Loss) after Taxation		**1,675.52**	**(1,012.50)**	**(4,31.48)**	**1.16**	**0.39**
Less:						
Transfer to Reserve Fund (As per 45-IC of RBI Act)		335.11	0.00	0.00	0.23	0.08
Transfer to General Reserve Fund		0.00	0.00	0.00	0.12	0.04
Add:						
-Surplus/(Deficit) brought forward from previous year		(1,438.50)	(426.00)	5.48	4.67	4.40
Balance transferred to Balance Sheet		**(98.09)**	**(1,438.50)**	**(426.00)**	**5.48**	**4.67**

The accompanying significant accounting policies and notes to accounts (Annexure IV) form an integral part of this statement.

Annexure III

Statement of Cash flows, as Restated
As Per Accounting Standard 3 – Cash Flow Statements

(INR in Lakhs)

Particulars	For the Years Ended				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net Profit/ (Loss) Before Tax as per Audited Accounts	2,101.84	(1,012.91)	(405.05)	1.77	0.62
Adjustments for:					
Depreciation	11.56	12.76	2.14	0.13	0.21
Interest Charges	0.00	0.00	11.41	0.00	0.00
Provision for Non-Performing Assets (Net of write back)	0.00	0.00	(0.27)	0.77	0.74
(Profit) /Loss on Sale of Assets (Net)	2.04	0.00	(0.06)	0.00	0.06
Interest Income	(828.20)	(856.24)	(216.62)	(5.52)	(3.93)
Dividend Income	(46.69)	(241.67)	(271.68)	0.00	0.00
Loss/(Profit) on sale of Investments	(1,700.83)	1,408.38	(19.88)	0.00	0.00
Miscellaneous Expenditure Written Off	0.00	0.00	0.00	0.00	0.04
Operating Profit/(Loss) Before Working Capital Changes	**(460.28)**	**(689.68)**	**(900.01)**	**(2.85)**	**(2.26)**
Adjustment for:					
(Increase)/Decrease in Receivables	0.00	0.00	0.00	5.70	2.88
(Increase)/Decrease in Other Current Assets	(4,425.50)	5,613.79	(12,230.37)	0.24	0.54
Increase/(Decrease)in Current Liabilities and Provisions	(104.86)	(7,319.30)	7,474.97	1.54	0.83
Cash Generated from/(used in) Operations	**(4,990.64)**	**(2,395.19)**	**(5,655.41)**	**4.63**	**1.99**
(Direct Taxes Paid)/Refund received	(250.26)	(5.14)	(36.21)	(0.57)	(0.01)
Add: Dividend Received	46.69	241.67	271.68	0.00	0.00
Add; Interest Received	686.62	658.80	88.62	3.63	3.69
Net Cash from/ (used in) Operating Activities (A)	**(4,507.59)**	**(1,499.86)**	**(5,331.32)**	**7.69**	**5.67**
Cash Flow from Investing Activities					
Purchase of Fixed Assets	(1.38)	(23.55)	(35.12)	0.00	0.00
Sale of Fixed Assets	0.87	0.00	0.37	0.05	0.07
Investment in Fixed Deposits (net of withdrawals)	0.00	0.00	28.77	(2.38)	(0.26)
Purchase of Investments	(4,1201.20)	(28,422.34)	(74,892.41)	0.00	0.00
Dimulation in Value of Investment	0.00	0.00	0.00	0.00	0.00
Sale of Investment	25,388.89	30,032.73	44,008.33	0.00	0.00
Net Cash (used in)/ from Investing Activities (B)	**(15,812.82)**	**1,586.84**	**(30,890.06)**	**(2.33)**	**(0.19)**
Cash Flow from Financing Activities					
Interest Paid	0.00	0.00	(11.41)	0.00	0.00

Particulars	For the Years Ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Proceeds from Issue of Equity Shares	20,740.00	500.00	36,355.00	0.00	0.00
Increase/ (Decrease) in Bank Borrowings	0.00	0.00	0.00	0.00	(6.00)
Net Cash (used in) / from Financing Activities (C)	**20,740.00**	**500.00**	**36,343.59**	**0.00**	**(6.00)**
Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)	**419.59**	**586.98**	**122.21**	**5.36**	**(0.52)**
Cash and Cash Equivalents At the Beginning of the Period/Year	715.37	128.39	6.18	0.82	1.34
Cash and Cash Equivalents At the End of the Period/Year	1,134.96	715.37	128.39	6.18	0.82
Net (Decrease)/ Increase in Cash & Cash Equivalents	419.59	586.98	122.21	5.36	(0.52)
Note:					
Cash and Cash Equivalents at the Beginning of the Period/Year	715.37	128.39	34.95	27.21	27.47
Less: Investment in Fixed Deposits (Long Term)	0.00	0.00	28.77	26.39	26.13
Cash and Cash Equivalents at the Beginning of the Period/Year	715.37	128.39	6.18	0.82	1.34
Cash and Cash Equivalents at the End of the Period/Year	1,134.96	715.37	128.39	34.95	27.21
Less: Investment in Fixed Deposits (Long Term)	0.00	0.00	0.00	28.77	26.39
Cash and Cash Equivalents at the End of the Period/Year	1,134.96	715.37	128.39	6.18	0.82

Annexure IV

Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, as amended from time to time and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

3. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes all direct expenses relating to the acquisition and installation of fixed assets.

4. Depreciation

Depreciation is provided on Written Down Value Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Assets individually costing Rs.5,000/- or less are depreciated fully in the year of purchase.

5. Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as trading investments. Other investments are classified as long-term investments.

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the balance sheet of the unlisted investee company is not available for two years, shares in such companies shall be valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting) Companies.

Trading investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as equity, preference, debentures etc and considered scrip-wise and the cost and market value aggregated for all investments in each category. Unquoted investments in the units of mutual funds in the nature of trading investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

The reclassification of Investments from long term to trading investments would be effected with the approval of the board of directors in accordance with the guidelines issued by Reserve Bank of India.

6. Revenue Recognition.

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements, for the year.

Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Company obtains an enforceable obligation to pay the price or, in the event of sale, when the Company obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

The cost of investments acquired or purchased would include brokerage, stamp charges and any duties directly related to the acquisition of investment.

Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the same is established.

Profit / Loss on sale of investments - Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the profit and loss account on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized.

Fee for services rendered is recognized at the specific rates as per the terms of contract.

Advisory fee payable for advisory services is recognized at the specific rates and as per terms agreed.

7. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates.

Exchange differences arising on actual payment / realisation and year end re-instatement referred to above are recognized in the Profit & Loss Account.

8. Retirement Benefits

Defined Benefit Plan

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for.

Actuarial gains and losses arising from effects of changes in actuarial assumptions are immediately recognised in the profit & loss account as income or expense.

Defined Contribution Plan

Fixed contributions to Provident Fund are recognized in the accounts on actual cost to the Company.

Compensated Absences

Liability for short term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

9. Taxation

Current tax is determined on the income for the year chargeable to tax in accordance with Income tax Act, 1961.

Deferred tax is recognized for all timing differences. Deferred tax assets are recognized subject to consideration of prudence.

10. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 its present value and are determined based on best 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 best estimates.

Notes Pertaining to 2007-08

1. The name of the company was changed from Subhikshith Finance and Investements Private Limited to Future Ventures India Private Limited effective from August 9, 2007. Subsequently, this name was also changed to Future Ventures India Limited effective from September 7, 2007, after obtaining necessary regulatory approvals.
2. Share Capital

   During the year, the Company had issued 363,550,000 Equity shares at par value of Rs.10/- each on a private placement basis.

3. Investments

   In the opinion of the management, no provision is considered necessary for diminution in the value of Quoted Long Term Investments, as the diminution is not considered other than temporary in nature.

Notes pertaining to 2008-09:-

1. Share Capital

   During the year, the Company had issued 5,000,000 Equity shares at par value of Rs.10/- each on a private placement basis.

2. Investments

   The Company has invested an aggregate amount of Rs. 6010.01 lakhs in Sankalp Retail Value Stores Private Ltd, Lee Cooper (India) Private Ltd (Associate Companies) and Footmart Retail (India) Ltd. (Joint Venture) in the year 2007-08 whose net worth has eroded as at March 31, 2009.

   These investments have been made in line with the investment policy of the Company which is to select companies which have business synergies and provide financial and technical support and grow them into profitable ventures.

The above investee companies, being start- up companies in the retail space, have made substantial investments to develop their infrastructure and distribution network for growth and are expected to do well going forward. Once the critical mass is attained and sufficient number of stores is opened, the entities are expected to break-even and generate a reasonable return on investments thereby significantly improving their net worth. These entities are operating as per their business plan which is being consistently monitored. Also, these are strategic investments and the Company has plans of turning them around into profitable ventures by providing them the necessary financial and advisory support.

Therefore, in the opinion of the management, the diminution in the value of the said investments are temporary in nature and hence no provision is considered necessary.

Notes pertaining to 2009-10

1. Share Capital

During the year, the Company had issued 207,400,000 Equity shares at par value of Rs.10/- each on a private placement basis.

Annexure V

Share Capital

(INR in lakhs)

Particulars	March 31st, 2010	March 31st, 2009	March 31st, 2008	March 31, 2007	March 31, 2006
Authorised					
5,000,000,000 Equity Shares of Rs. 10/- each	500,000.00	500,000.00	500,000.00	100.00	100.00
Issued, Subscribed and Paid up Capital					
Equity Shares of Rs. 10/- each	57,624.37	36,884.37	36,384.37	29.37	29.37

Reserves and Surplus

(INR in lakhs)

Particulars	March 31st, 2010	March 31st, 2009	March 31st, 2008	March 31, 2007	March 31, 2006
Capital Redemption Reserve	5.20	5.20	5.20	5.20	5.20
General Reserve	0.59	0.59	0.59	0.59	0.48
Add: Balance in Profit & Loss Account				5.48	4.67
Reserves and Surplus	**5.79**	**5.79**	**5.79**	**11.27**	**10.35**
Debit Balance in Profit & Loss Account	**(98.09)**	**(1,438.50)**	**(426.00)**	**0.00**	**0.00**
Statutory Reserve	-	-	-		
Opening Balance	3.48	3.48	3.48	3.25	3.17
Add : Transfer during the year	335.10	-	-	0.23	0.08
Less : Adjustments	-	-	-	-	-
Closing Balance	**338.58**	**3.48**	**3.48**	3.48	3.25

Annexure VI

Fixed Assets 05-06

(INR in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1st April 2005	Additions	Deletions	As at 31st March 2006	As at 1st April 2005	For the year	Deletions	As at 31st March 2006	As at 31.03.06	As at 31.03.05
Office Equipment	0.46	-	-	0.46	0.29	0.04	-	0.33	0.13	0.17
Computers	2.27	-	-	2.27	1.97	0.12	-	2.09	0.18	0.31
Furniture & Fixtures	0.17	-	-	0.17	0.03	0.02	-	0.05	0.12	0.14
Vehicles	4.50	-	0.13	4.37	4.23	0.03	-	4.26	0.11	0.27
Total	**7.40**	**-**	**0.13**	**7.27**	**6.52**	**0.21**	**-**	**6.73**	**0.54**	**0.88**

Fixed Assets 06-07

(INR in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1st April 2006	Additions	Deletions	As at 31st March 2007	As at 1st April 2006	For the year	Deletions	As at 31st March 2007	As at 31.03.07	As at 31.03.06
Office Equipment	0.46	-	-	0.46	0.33	0.04	-	0.37	0.09	0.13
Computers	2.27	-	-	2.27	2.09	0.07	-	2.16	0.11	0.18
Furniture & Fixtures	0.17	-	-	0.17	0.05	0.01	-	0.06	0.11	0.12
Vehicles	4.37	-	0.04	4.33	4.26	0.01	-	4.27	0.06	0.11
Total	**7.27**	**-**	**0.04**	**7.23**	**6.73**	**0.13**	**-**	**6.86**	**0.37**	**0.54**

Fixed Assets 07-08

(INR in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1st April 2007	Additions	Deletions	As at 31st March 2008	As at 1st April 2007	For the year	Deletions	As at 31st March 2008	As at 31st March 2008	As at 31st March 2007
Office Equipments	0.46	12.69	0.46	12.69	0.37	0.46	0.37	0.46	12.23	0.09
Computers	2.27	20.18	2.27	20.18	2.16	1.57	2.16	1.57	18.61	0.11
Furniture & Fixtures	0.17	2.25	0.17	2.25	0.06	0.05	0.06	0.05	2.20	0.11
Vehicles	4.33	-	4.33	-	4.27	0.06	4.33	-	-	0.06
Total	**7.23**	**35.12**	**7.23**	**35.12**	**6.86**	**2.14**	**6.92**	**2.08**	**33.04**	**0.37**

Fixed Assets 08-09

(INR in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2008	Additions	Deletions	As at March 31, 2009	As at April 1, 2008	For the year	Deletions	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Office Equipments	12.69	6.23	-	18.92	0.46	2.47	-	2.93	15.99	12.23
Computers	20.18	4.44	-	24.62	1.57	8.81	-	10.38	14.24	18.61
Furniture & Fixtures	2.25	-	-	2.25	0.05	0.40	-	0.45	1.80	2.20
Vehicles	-	12.88	-	12.88	-	1.08	-	1.08	11.80	-
Total	**35.12**	**23.55**	**-**	**58.67**	**2.08**	**12.76**	**-**	**14.84**	**43.83**	**33.04**

Fixed Assets 09-10

(INR in Lakhs)

Description of Assets	**Gross Block**				**Depreciation**				**Net Block**	
	As at April 1, 2009	**Additions**	**Deletions**	**As at March 31, 2010**	**As at April 1, 2009**	**For the year**	**Deletions**	**As at March 31, 2010**	**As at March 31, 2010**	**As at March 31, 2009**
Office Equipments	18.92	0.35	3.55	**15.72**	2.93	2.00	0.63	**4.30**	**11.42**	15.99
Computers	24.62	-	-	**24.62**	10.38	5.70	-	**16.08**	**8.54**	14.24
Furniture & Fixtures	2.25	0.65	-	**2.90**	0.45	0.43	-	**0.88**	**2.02**	1.80
Vehicles	12.88	-	-	**12.88**	1.08	3.05	-	**4.13**	**8.75**	11.80
Software	-	0.38	-	**0.38**	-	0.38	-	**0.38**	**-**	-
Total	**58.67**	**1.38**	**3.55**	**56.50**	**14.84**	**11.56**	**0.63**	**25.77**	**30.73**	**43.83**

Annexure VII

INVESTMENTS

(INR in Lakhs)

Particulars	March 31st 2010	March 31st 2009	March 31st 2008	March 31st 2007	March 31st 2006
A. Long Term Investments					
(i) Investment in Subsidiaries	37,021.39	3,017.53	3,017.53		
(ii) Investment in Joint Venture	75.00	1307.51	605.00		
(iii)Investment in Associates	5,073.15	7,196.03	5,405.00		
(iv) Others (Unquoted – Trade)					
Equity Shares - Others	2,370.79	7,698.94	6,620.22		
Fully Convertible Debentures	-	250.00	700.00		
(v) Others– Non- Trade					
(i) Quoted					
Equity Shares - Others		4,787.32	6,315.27		
(ii) Unquoted					
Units of Mutual Funds	-	-	3,000.00		
B. Trading Investments					
(ii) Unquoted - Non- Trade & others					
Units of Mutual Funds	857.99	3,627.86	5,240.93		
Total	**45,398.32**	**27,885.19**	**30,903.95**	**-**	**-**
Value of Quoted Investments					
- Cost	**-**	**4,787.32**	**6,315.27**		
- Market Value		**845.46**	**3,612.79**		
Value of Unquoted Investments	**45,398.32**	**23,097.87**	**24,588.68**		

Annexure VIII

Cash and Bank Balances

(INR in lakhs)

Particulars	March 31st, 2010	March 31st, 2009	March 31st, 2008	March 31, 2007	March 31, 2006
Cash and Cheque on Hand	143.37	16.25	29.94	0.04	0.79
Balances with Scheduled Bank					
- In Current Account	991.59	699.12	98.45	6.14	0.03
- In Fixed Deposit Accounts				28.77	26.39
	1,134.96	715.37	128.39	34.95	27.21

Annexure IX

Statement of Other Current Assets

(INR in Lakhs)

Particulars	As At				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Advance Tax	606.63	236.57	39.30	3.91	3.37
Advance recoverable in Cash or in kind or for value to be received.	32.72	207.22	2,174.21	1.06	1.06
Advance to subsidiary towards Share application money	0.00	2400.00	0.00	0.00	0.00
Loans outstanding (including Inter corporate Deposits) #	11,050.00	4,050.00	10,100.00	11.61	17.63
Interest Accrued on Deposits & ICD	119.24	97.46	92.39	0.74	0.62
Service charges receivable	0.00	0.00	0.00	0.24	0.16
Others	3.35	3.35	0.15	0.00	0.00
Total	**11,811.94**	**6,994.60**	**12,406.05**	**17.56**	**22.84**
Promoters	-	140.00	140.00	-	-
Group Companies#	4,200.00	2,950.00	5,000.00	-	-
Associate Companies	-	-	-	-	-
Other related Parties	-	-	-	-	-

The Group Companies have been identified by the Company and relied upon by the auditors

Annexure IX contd

Amount due from companies under the same management:

Name of the Company	As at March 31, 2010		As at March 31, 2009		As at March 31, 2008	
	Balance outstanding	Maximum amount due at any time during the year	Balance outstanding	Maximum amount due at any time during the year	Balance outstanding	Maximum amount due at any time during the year
Home Solutions Retail (India) Limited	1,550.00	1,550.00	1,000.00	1,000.00		
Future Media (India) Limited	-	400.00	400.00	400.00		
Winner Sports Limited	850.00	1,850.00	1,550.00	1,550.00		
Pantaloon Retail India Limited	-	140.00	140.00	140.00	140	140
Future Agrovet Limited	1,800.00	1,800.00	-	-		
Future Capital Holdings Limited				5,000.00	5,000	5,000
Kshitij Investment Advisory Company Limited			-	63.00		

There were no amounts due from the companies under the same management for the year ended March 31, 2006 and March 31, 2007.

Annexure X

Statement of Current Liabilities and Provisions

(INR in Lakhs)

Particulars	As At				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Current Liabilities:					
Sundry Creditors and Outstanding expenses	43.93	140.65	7,466.50	0.65	0.65
TDS on salary, professional charges & others	1.13	0.88	6.53	0.00	0.00
Total Current Liabilities	**45.06**	**141.53**	**7,473.03**	**0.65**	**0.65**
Provisions:					
Provision for Non-Performing Assets	0.00	0.00	0.00	5.27	4.75
Provision for Taxation	455.32	30.33	27.51	2.84	2.22
Provision for Gratuity & Compensated absences	6.14	14.52	2.32	0.00	0.00
Total Provisions	**461.46**	**44.85**	**29.83**	**8.11**	**6.97**

Annexure XI

Statement of Deferred Tax (Net)

(INR in Lakhs)

Particulars	As At				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Provision for Non-Performing Assets	0.00	0.00	0.00	0.00	0.00
Difference between Book WDV and Tax WDV	(0.82)	(2.40)	(1.72)	0.00	0.00
Provision for compensated absences/Provision for Gratuity	2.04	4.93	0.79	0.00	0.00
Net Deferred Tax Asset (Liability)	**1.22**	**2.53**	**(0.93)**	**0.00**	**0.00**

Annexure XII

Income from Operations

(INR in Lakhs)

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009	For the Year ended March 31, 2008	For the Year ended March 31, 2007	For the Year ended March 31, 2006
	Rs.	Rs.	Rs.	Rs.	Rs.
Profit/(Loss) on trading securities:					
Sales of Trading Securities	17,227.57	4,821.31			
Less : Cost of Sales	15,842.12	6,229.69			
Profit/(Loss) on trading securities:	1,385.45	(1,408.38)	-	-	-
Interest Income:					
- On Investments - Trade	12.53	8.36	70.00		
- On Investments - Non Trade	-	-	56.55		
- Others	815.29	768.83	89.43	3.12	2.77
Dividend Income	46.69	241.67	271.68		
Profit/(Loss) on Sale of Long Term securities	315.38	-	-	-	-
Profit/(loss) on Sale of Current Investments	-	-	19.88	-	-
	2,575.34	**(389.52)**	**507.54**	**3.12**	**2.77**

Annexure XIII

Statement of Other Income

(INR in Lakhs)

Particulars	For the Years Ended				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Non-Recurring					
Provision no longer required written back	0.00	0.00	0.27	0.25	0.49
Miscellaneous Income	0.00	8.14	0.00	0.00	0.00
Total other income	**0.00**	**8.14**	**0.27**	**0.25**	**0.49**

Annexure XIV

Employee Costs

(INR in Lakhs)

Particulars	For the Year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007	For the year ended March 31, 2006
	Rs.	Rs.	Rs.	Rs.	Rs.
Salaries Wages & Bonus	255.35	209.31	73.55	-	-
Remuneration to Director	-	-	-	1.20	0.60
Contribution to Provident Fund	6.25	7.57	1.59	-	-
Staff Welfare Expenses	39.17	17.12	5.31	-	-
	300.77	**234.00**	**80.45**	**1.20**	**0.60**

Annexure XV

Administrative and other expenses

(INR in Lakhs)

Particulars	For the Year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007	For the year ended March 31, 2006
	Rs.	Rs.	Rs.	Rs.	Rs.
Rent	17.72	38.19	7.22	0.29	0.14
Legal and Professional Charges	66.72	203.01	186.33	-	0.24
Rates & taxes	20.91	1.17	609.60	0.10	0.12
Audit Fees :					
- Statutory Audit	8.50	4.50	4.50	0.10	0.12
- Tax Audit	1.00	0.50	0.50	-	-
- Other Services	9.68	4.20	-	-	-
- Out of Pocket Expenses (Including Taxes and Levies)	3.97	1.72	0.62	0.01	-
Directors sitting fees	4.40	9.60	1.40	-	-
Loss on Sale of Asset	2.04	-	-	-	0.06
Travelling & Conveyance Expenses	13.58	52.61	2.16	0.82	0.92
Advertisement & Publicity	-	131.77	-	-	-
Miscellaneous expenses	13.03	16.55	7.23	0.33	0.16
Total	**161.55**	**463.82**	**819.56**	**1.65**	**1.76**

Annexure XVI

Disclosure as per Accounting Standard 15 – Employee Benefits

The company has a defined benefit gratuity plan and the details of actuarial valuation as on 31st March 2008, 2009 and 2010 are given below:

(INR in Lakhs)

Particulars	March 31,2010 Rs.	March 31,2009 Rs.	March 31,2008 Rs.
Expenses recognized in the Profit & Loss Account			
Current Service cost	2.41	2.89	1.14
Interest cost on benefit obligations	0.21	0.00	0.00
Expected return on plan assets	0.00	0.00	0.00
Actuarial (gain)/loss	(2.46)	(0.32)	(1.14)
Net benefit expense	0.00	0.00	0.00
Amount recognized in the Balance Sheet			
Closing Projected Benefit Obligation	(2.73)	(2.57)	0.00
Closing Fair value of plan assets	0	0	0.00
Unfunded Net Asset/ (Liability) recognized in the balance sheet	(2.73)	(2.57)	0.00
Changes in the present value of defined benefit obligations are as follows:			
Obligations at period beginning	2.57	0.00	0.00
Service Cost	2.41	2.89	1.14
Interest on Defined benefit obligation	0.21	0	0.00
Benefits settled	0.00	0	0.00
Actuarial (gain)/loss	(2.46)	(0.32)	(1.14)
Obligations at period end	2.73	2.57	0.00
Assumptions			
Interest rate	8.00%	8.00%	8.00%
Salary increase	5.00%	5.00%	5.00%
Attrition rate	1.00%	1.00%	1.00%
Retirement age	58 years	58 years	58 years

The above disclosure was not applicable for the year ended March 31, 2007 and March 31, 2006.

Annexure XVII

Segment Reporting

The company is primarily engaged in the business of investing/financing. All the activities of the company revolves around the main business. Further, the company does not have any operations outside India. As such, there are no separate reportable segments as per AS – 17 "Segment Reporting".

Annexure XVIII

Related Party Transactions

Related parties referred to in this report represent related parties as defined in Accounting Standard 18,"Related Party Disclosures" notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 and as identified by the management and relied upon by the Auditors. Details of related party transactions have been given in **Annexure XVIII (Separate Sheet)**.

Annexure XVIII (Contd)

Related Party Transactions – As per Accounting Standard 18 – "Related Party Disclosures" 2009 –2010

(INR in Lakhs)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2010 (Including int. receivables)	Payables Balance Outstanding as at 31st March 2010	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Issue of Equity shares	Expenses & Reimbursement	Sale of Investment	Purchase of Asset	Investment in Equity/Pref. shares
Aadhaar Retailing Ltd.	Subsidiary	340.71		110.32	#4,560.00	#4,235.00					#4,725.00
Indus League Clothing Limited	Subsidiary										#23,016.27
Star Shopping Centres Pvt. Limited	Subsidiary										300.00
Industree Crafts Pvt. Ltd.	Subsidiary	54.64		12.04	550.00	500.00					300.00
Lee Cooper (India) Limited.	Associates up to 30th Jan2010	#1,128.48		28.48	#1,100.00			0.51	#5,467.25		#3,062.25
Sankalp Retail Value Stores Pvt. Limited	Associates upto 28th Jan2010								#3,000.00		
Turtle Limited	Associates upto 30th Jan2010								#1,133.44		
AND Designs India Limited	Associates with Effect from 21st Oct 2009			3.98	50.00	100.00					250.00
Capital Foods Exportts Pvt. Limited	Associates with Effect from 15th Feb 2010.										#4,500.00

Represents material related party transactions during the year. Transactions over Rs.1,000 Lakhs have been considered material.

Related Party Transactions 2009- 2010

Annexure XVIII (Contd)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2010 (Including int. receivables)	Payables Balance Outstanding as at 31st March 2010	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Issue of Equity shares	Expenses & Reimbursement	Sale of Investment	Purchase of Asset	Investment in Equity/Pref. shares
Future Capital Holdings Limited	Associates									0.65	
Pantaloon Retail India Limited	Associates							5.47			
Pantaloon Industries Limited	Associates						#12,200.00				
Footmart Retail (India) Limited	Joint Venture Upto 21st Jan 2010			50.61	#1,400.00	#1,800.00			605.00		
Celio Future Fashion Limited	Joint Venture Upto 30th Jan 2010								#1,200.00		497.50
Holii Accessories Pvt. Ltd	Joint Venture with Effect From 2nd Nov 2009										75.00
Total		**1,523.83**	**0.00**	**205.43**	**7,660.00**	**6,635.00**	**12,200.00**	**5.98**	**11,405.69**	**0.65**	**36,726.02**

Represents material related party transactions during the year. Transactions over Rs.1,000 Lakhs have been considered material.

Related Party Transactions 2008-09

Annexure XVIII (Contd)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2009 (Including int. receivables)	Payables Balance Outstanding as at 31st March 2009	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Other Income, Rent	Issue of Equity shares	Expenses Reimbursed	Purchase of Asset	Investment in Equity/Pref. shares
Aadhaar Retailing Ltd.	Subsidiary	#2,400.00			#2,400.00		8.14				
Indus Tree Crafts Pvt. Ltd.	Associates			11.35	350.00	350.00					657.59
Turtle Ltd.	Asssociates										#1,133.44
Future Capital Holdings Ltd.	Associates		0.07	46.41		#5,000.00			17.18		
Pantaloon Retail India Ltd.	Associates	140.00							5.60		
Pantaloon Industries ltd.	Associates			17.26	#1,500.00	#1,500.00					
Footmart Retail (India) Ltd.	Joint Venture	427.61			400.00						
Celio Future Fashion Ltd.	Joint Venture			5.27	250.00	250.00					702.50
Total		**2,967.61**	**0.07**	**80.29**	**4,900.00**	**7,100.00**	**8.14**	**0.00**	**22.78**	**0.00**	**2,493.53**

Represents material related party transactions during the year. Transactions over Rs.1000 Lakhs have been considered material.

Related Party Transactions 2007-08

Annexure XVIII (Contd)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2008 (including int. receivable)	Payables Balance Outstanding as at 31st March 2008	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Other Income, Rent	Issue of Equity shares	Expenses Reimbursed	Purchase of investment	Investment in Equity/Pref. shares
Aadhaar Retailing Ltd.	Subsidiary										#3017.53
Lee Cooper (India) Pvt. Ltd.	Associates										#2,405.00
Sankalp Retail Value Stores Pvt. Ltd.	Associates										#3,000.00
Future Capital Holdings Ltd.	Associates	#5,006.03		6.03	#5,000.00				11.66	#1,315.16	
Pantaloon Retail India Ltd.	Associates	140.00			140.00				6.67	605.01	
Future Capital Investment Pvt. ltd.	Associates							180.00			
Pantaloon Industries ltd.	Associates		#3605.00							#3,605.00	
Footmart Retail (India) Ltd.	Joint Venture										605.01
Total		**5,146.03**	**3,605.00**	**6.03**	**5,140.00**	**0.00**	**0.00**	**180.00**	**18.33**	**5,525.17**	**9,027.54**

Represents material related party transactions during the year. Transactions over Rs.1,000 Lakhs have been considered material.

Related Party Transactions 2006-07

Annexure XVIII (Contd)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2007	Interest Income	Loan Given during the year	Amount Repaid during the year	Other Income, Rent	Director's Remuneration	Expenses Reimbursed
Growell Marketing Co	Firm in which Director is interested	3.83	0.69	3.00	3.81			
SVT Associates	Firm in which the Directors are Partners	0.00	1.59	16.50	16.50			
ACE Enterprises	Proprietorship of Director	0.24	0.21	2.80	3.40	0.96		
Shankar	Director	0.00	0.00	0.00	0.00		0.60	0.07
Thirumalai	Director	0.00	0.00	0.00	0.00		0.60	
Total		**4.07**	**2.49**	**22.30**	**23.71**	**0.96**	**1.20**	**0.07**

Note : There are no material related party transaction during the year. Transaction over Rs.1,000 Lakhs has been considered material.

YEAR 2005-2006

Annexure XVIII (Contd)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2006	Interest Income	Loan Given during the year	Amount Repaid during the year	Other Income, Rent	Director's Remuneration	Expenses Reimbursed
Ace Credit	Proprietorship of Director	0.60	0.11	2.20	1.60			
Growell Marketing Co	Firm in which Director is interested	4.08	0.45	3.75	1.11			
R Santhanam	Director	3.20	0.58		0.58			
Srinivasan R	Member	0.20			-			
SVT Associates	Firm in which the Directors are Partners		0.64	23.70	29.05			
Thirumalai	Director						0.60	
Total		**8.08**	**1.78**	**29.65**	**32.34**	**-**	**0.60**	**-**

Note : There are no material related party transaction during the year. Transaction over Rs.1,000 Lakhs has been considered material.

Annexure XIX

Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets

(INR in Lakhs)

Movement in Provision for Doubtful Debts	**For the Years Ended**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Opening Balance	0.00	0.00	5.27	4.75	4.01
Additional Provision created during the year	0.00	0.00	0.00	1.02	1.23
	0.00	**0.00**	**5.27**	**5.77**	**5.24**
Provision written back	0.00	0.00	0.00	(0.25)	(0.49)
Write-off out of provision	0.00	0.00	**(5.27)**	(0.25)	0.00
Closing Balance	**0.00**	**0.00**	**0.00**	**5.27**	**4.75**

Annexure XX

Share Purchase Obligation

(INR in Lakhs)

Particulars	As at 31st March 2010	As at 31st March 2009	As at 31st March 2008
Share Purchase Obligation	0.00	13,860.00	13,860.00

Annexure XXI

Tax Shelter Statement

(INR in Lakhs)

	For the Years Ended				
	31-Mar-10	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
Loss Before Taxes, as restated	2,101.84	(1,012.91)	(405.05)	1.77	0.62
Add/Less: Long Term Capital Loss with STT	(315.38)	-	-	-	-
Add/Less: Short Term Capital Loss with STT	(0,08)				
Adjusted/Restated Net Profit Before Tax	1,786.38	(1,012.91)	(405.05)	1.77	0.62
Applicable Rates of Income Tax	33.99%	33.99%	30.90%	33.66%	33.66%
Notional Tax Liability (A)	**607.19**	**(344.29)**	**(125.16)**	**0.60**	**0.21**
Adjustments:					
a) Permanent Differences					
Long Term Capital Loss with STT	318.58	-	-	-	-
IPO Expenses	55.81	148.08	763.71	-	-
Expenditure towards increase in Authorized Capital	20.76	-		-	-
Dividend Income	(46.69)	(241.67)	(271.68)	-	-
Expenses inadmissible under section 14A	1.00	1.00	0.95	-	-
Carried forward business and depreciation loss absorbed	(1,094.95)	-	-	-	-
Others	(5.24)	(10.04)	(1.29)	(0.12)	(0.03)
Total Permanent Difference	**(750.73)**	**(102.63)**	**491.69**	**(0.12)**	**(0.03)**
b) Timing Differences					
Difference between Tax and Book Depreciation	(2.56)	(2.05)	(4.96)	0.02	0.10
Provision for Compensated Absences & Gratuity	8.70	12.46	2.31	-	-
(Profit)/Loss on Sale of Asset	2.04	-	(0.06)	0.16	
Unabsorbed Business Loss & Depreciation Loss	-	1,094.95	-	-	-
Total Timing Differences	**8.18**	**1,105.36**	**(2.71)**	**0.18**	**0.10**
Total Adjustments	**(742.55)**	**1,002.73**	**488.98**	**0.06**	**0.07**
Tax expense/Tax savings thereon	**(252.39)**	**340.83**	**151.09**	**0.02**	**0.02**
Total Tax at normal rates	354.80	(3.46)	25.93	0.61	0.23
Tax on Long Term Capital Gains @ 22.66%	71.50	-	-	-	-
Tax on Short Term Capital Gains @16.995%	0.02	-	-	-	-
Total Taxes	**426.32**	**(3.46)**	**25.93**	**0.62**	**0.23**

	For the Years Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Total Taxes as per Statement of Profit and Loss, as Restated					
Income Tax	425.00	-	25.00	0.61	0.23
Deferred Tax	1.32	(3.46)	0.93	-	-
Fringe Benefit Tax	-	3.05	0.50	-	-
Total	426.32	(0.41)	26.43	0.61	0.23

Annexure XXII

Statement of Accounting and Other Ratios

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net worth as at the end of the year(Rs in Lakhs)	57,870.65	35,455.14	35,967.64	44.12	42.97
Net Profit after Tax, as restated (Rs. In Lakhs)	1,675.52	(1,012.50)	(431.48)	1.16	0.39
No. of equity shares outstanding at the end of year	576,243,700	368,843,700	363,843,700	293,700	293,700
Weighted average no. of equity shares outstanding during the year	399,436,577	367,295,755	86,427,177	293,700	293,700
Basic & Diluted Earnings per Share (Rs.) (As per AS-20- Earnings Per Share)	0.42	(0.28)	(0.50)	0.39	0.13
Return on Net Worth (%)	2.90	(2.86)	(1.20)	2.63	0.91
Net Asset Value per Share (Rs.)	10.04	9.61	9.89	15.02	14.63
Book Value per Share (Rs)	10.04	9.61	9.89	15.02	14.63

The ratios have been computed as below:

Basic & Diluted Earnings per Share	=	Net Profit as restated, attributable to shareholders / Weighted average no. of equity shares outstanding during the year
Return on Net Worth (%)	=	Net Profit after Tax, as restated / Net Worth (excluding revaluation reserve) as at the end of the year X 100
Net Assets Value per Equity Share	=	Net Worth as at the end of the year / No. of equity shares outstanding as at the end of the year
Book Value per Equity Share	=	Net Worth (excluding revaluation reserve)as at the end of the year / No. of equity shares outstanding as at the end of the year

Net Worth means Equity Share Capital + Reserves

The figures above are based on the restated financial statements of the Company

EPS has been calculated as per AS-20

Annexure XXIII

Capitalization Statement

(INR in Lakhs)

Particulars	Pre- Issue as at March 31, 2010	Adjusted for Public Issue*
Borrowings		
Long Term Debt	0.00	
Short Term Debt	0.00	
Total Debt	0.00	
Shareholders' Funds		
Share Capital (include Share Application Money)	57,624.37	
Reserves	344.37	
Less : Debit Balance in P&L	98.09	
Less: Miscellaneous Expenditure Written off	0.00	
Total Shareholders' Fund (Net Worth)	57,870.65	
Long Term Debt/ Equity Share Capital	0.00	
Long Term Debt/ Shareholders' funds (Net Worth)	0.00	

*Will be updated at the time of prospectus.

The Board of Directors
Future Ventures India Limited
Mumbai

Dear Sirs

Re: Public issue of Equity Shares of Future Ventures India Limited

1. We have examined the consolidated financial information of Future Ventures India Limited ("the Company" or "the Issuer") and its subsidiaries, joint ventures and associates (the Company and its subsidiaries, joint ventures and associates constitute "the Group") annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus ("the DRHP"). The consolidated financial information has been prepared in accordance with the requirements of paragraph B of Part II of Schedule II to the Companies Act, 1956 ("the Act"), the Securities and Exchange Board of India ("SEBI") –Issue of Capital and Disclosure Requirements) Regulation, 2009 (the "ICDR Regulations") notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") and terms of engagement agreed upon by us with the Company. The consolidated financial information has been prepared by the Company and approved by its Board of Directors.

2. For the purposes of consolidated financial information of the Company and its subsidiaries, joint ventures and associates, the consolidation has been drawn up from the date they became the subsidiaries, joint ventures or associates of the Company.

3. This information has been prepared by the Management from the audited financial statements for the year ended March 31, 2008, March 31, 2009 and March 31, 2010.

4. We did not audit the financial statements of the subsidiaries and joint ventures for the financial years ended March 31 2008, March 31, 2009 and March 31, 2010, whose Financial Statements reflect total assets of Rs.11285.18 Lakhs, Rs.13,248.28 Lakhs and Rs. 48322.75 Lakhs and total revenues of Rs. 1,374.04 Lakhs, Rs.13356.58 Lakhs and Rs. 15203.15 Lakhs, respectively and of the associates which reflects the group's share of loss of Rs. 415.46 lakhs, Rs.947.37 lakhs and Rs. 44.86 lakhs, respectively. These financial statements have been audited by other firms of Chartered Accountants, whose reports have been furnished to us and our opinion is so far as it relates to the amounts included in these Consolidated Statement of Asset and Liabilities as restated and Consolidated Statement of Profit and Loss as restated are based solely on the report of other auditors. There are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

5. The financial statements of Turtle Limited, an associate which reflects the Groups share of profits of Rs. 81.73 Lakhs for the year ended March 31, 2010 was not audited and we have relied upon the unaudited financials provided by the Management of that associate.

6. In accordance with the requirements of paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The Consolidated "Statement of Profit and Losses, As Restated", for the year ended March 31, 2008, March 31, 2009 and March 31, 2010, Consolidated "Statement of Assets and Liabilities, As Restated" as at March 31, 2008, March 31, 2009 and March 31, 2010 and the Consolidated "Statement of Cash Flow, As Restated" for the year ended March 31, 2008, March 31, 2009 and March 31, 2010 of the Company and its subsidiaries, joint ventures and associates examined by us, as set out in Annexure I to III to this report are after making adjustments and regroupings as, in our opinion, were appropriate and more fully described in Annexure IV to XXIX.

   (b) Based on above and also as per the reliance placed on the reports submitted by the other auditors for subsidiaries, joint ventures and associates of the Company for the respective years, we confirm that the restated financial information has been made after incorporating:

i. Adjustments for the material amounts relating to prior years in the respective financial years to which they relate;

ii. There are no extraordinary items, which need to be disclosed separately in the restated financial information in the respective financial years and no qualification requiring adjustments; and

iii. We have also examined the following other consolidated financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company and its subsidiaries, joint ventures and associates for the years ended March 31, 2008, March 31, 2009 and March 31, 2010

Details of other consolidated financial information	Annexure reference
Share Capital	V
Reserves and Surplus	V
Fixed Assets	VI
Goodwill on Consolidation	VII
Investments	VIII
Statement of Receivables	IX
Statement of Inventories	X
Cash and Bank Balances	XI
Statement of Other Current Assets	XII
Statement of Secured and Unsecured Loans	XIII A
Brief Terms and Conditions of Secured and Unsecured Loans	XIII B
Statement of Current Liabilities and Provisions	XIV
Statement of Deferred Tax	XV
Income from Investing Activity	XVI
Statement of Other Income	XVII
Cost of Goods Sold	XVIII
Employee Costs	XIX
Administrative and Other Expenses	XX
Interest & Financing Charges	XXI
Disclosure relating to Employee Benefits	XXII
Segment Reporting	XXIII
Disclosure relating to Leases	XXIV
Related Party Transactions	XXV
Provisions, Contingent Liabilities and Contingent Assets	XXVI
Capital Commitments	XXVI
Share Purchase Obligation	XXVII
Statement of Accounting and Other Ratios	XXVIII
Capitalization Statement	XXIX

Further, in respect of “Brief terms and conditions of secured and unsecured loans including repayment schedule” included in Annexure XIII B above, the details relating to loans taken by subsidiaries and joint ventures which were not audited by us, have been complied based on the report issued by other auditors and in respect of “Group Companies” as defined in the ICDR Regulations and disclosed in Annexure IX, Annexure XII, Annexure XIII A and XIII B above are based on list of group companies identified by the Company and also as reported by other auditors, as applicable and we have relied on the same.

Based on our examination of the Restated Consolidated Financial Information of the Group attached to this report and subject to the matter stated in paragraph 5 above, we state that, in our opinion, the financial information contained in Annexure I to III_of this report read along with the Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure IV and XXIX) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act and the SEBI Guidelines.

7. This report should not in any way be construed as a reissuance of any of our previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

8. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521
Place: Chennai
Date: August 10, 2010

Annexure I

Consolidated Statement of Assets and Liabilities, as Restated

(INR in Lakhs)

Particulars	Annexure	As At		
		March 31, 2010	March 31, 2009	March 31, 2008
A. Fixed Assets				
Gross Block	**VI**	14,048.30	8,295.54	7,485.81
Less: Depreciation		(3,421.57)	(833.98)	(154.26)
Net Block		10,626.73	7,461.56	7,331.55
Capital Work in progress		161.84	129.90	69.01
Total Fixed Assets (A)		**10,788.57**	**7,591.46**	**7,400.56**
B. Deferred Tax Asset (Net) (B)	**XV**	**37.57**	**2.53**	**0.00**
C. Goodwill on consolidation	**VII**	**22,877.74**	**1,372.01**	**1,282.87**
D. Investment	**VIII**	**10,092.89**	**22,197.87**	**26,866.51**
E. Current Assets, Loans & Advances				
Receivables	**IX**	14,498.68	538.22	22.22
Inventories	**X**	10,122.69	3,868.28	2,510.17
Cash and Bank Balances	**XI**	1,852.04	1,287.53	400.11
Other Current Assets	**XII**	12,744.70	5,035.57	13,524.21
Total Current Assets, Loans and Advances (E)		**39,218.11**	**10,729.60**	**16,456.71**
F. Minority interest		**7,414.96**	**878.40**	**1,179.37**
G. Liabilities and Provisions				
Secured Loans	**XIII**	11351.52	810.91	860.18
Unsecured Loans	**XIII**	5,526.65	4,764.77	4,849.25
Current Liabilities	**XIV**	7,591.93	4,270.35	9,426.29
Provisions	**XIV**	644.28	66.24	118.80
Deferred Tax Liability (net)	**XV**	32.06	404.78	24.10
Total Liabilities and Provisions (G)		**25,146.44**	**10,317.05**	**15,278.62**
H.Net Worth (A)+(B)+(C)+(D)+(E)-(F)- (G)		**50,453.48**	**30,698.02**	**35,548.66**
I. Represented By:				
Share Capital	**V**	57,624.37	36,884.37	36,384.37
Reserves and Surplus	**V**	5.79	5.79	5.79
Revaluation Reserve	**V**	25.71	0.00	0.00
Statutory Reserve Fund	**V**	338.58	3.47	3.47
Debit Balance in Profit & Loss Account	**II**	(7,540.97)	(6,195.61)	(844.97)
Net Worth		**50,453.48**	**30,698.02**	**35,548.66**

Annexure II

Consolidated Statement of Profit and Loss, as Restated

(INR in Lakhs)

Particulars	**Annexure**	**For the Years Ended**		
		March 31, 2010	**March 31, 2009**	**March 31, 2008**
Sale of Retail Merchandise		12,389.36	12,017.91	5.50
Income from Investing Activity	**XVI**	733.36	10,04.72	507.54
Profit/(Loss) on trading securities	**XVI**	(318.49)	(1,408.38)	0.00
Other Operating Income		256.81	263.59	0.00
Interest on Deposits		8.69	92.43	0.64
Other Income	**XVII**	2,297.73	4.39	1.73
Profit on Sale of Assets		0.00	0.63	0.06
Proportionate Share in Joint Ventures		2,423.82	1,089.18	0.00
Total Income		**17,791.28**	**13,064.47**	**515.47**
Cost of Goods Sold (including Accretion/ Decretion to Inventory)	**XVIII**	12,417.64	12,523.05	6.41
Employee Costs	**XIX**	2,408.57	2,037.88	81.85
Administrative and Other Expenses	**XX**	3,028.11	2,698.85	820.79
Interest & Financing Charges	**XXI**	1,042.29	220.06	12.84
Depreciation	**VI**	862.33	700.35	3.27
Less : Transfer from Revaluation Reserve		(0.13)	0.00	0.00
Preliminary Expenses Written off		0.03	0.00	0.00
Total Expenditure		**19,758.84**	**18,180.19**	**925.16**
Profit/ (Loss) before Prior Period items		(1,967.56)	(5,115.72)	(409.69)
Add/(Less):Proportionate share of prior period items in a Joint Venture Expenses relating to earlier years		0.00	(31.55)	0.00
Net Profit / (Loss) Before Taxation		**(1,967.56)**	**(5,147.27)**	**(409.69)**
Less :Provision for Taxation				
- Income Tax		425.13	0.00	25.03
- Deferred Tax		(265.79)	378.15	1.24
- Fringe Benefit Tax		0.00	33.89	0.54
-Proportionate share in a Joint venture		0.15	1.48	0.00
-Provision for income tax relating to earlier years		7.07	0.00	0.00
Net Profit/ (Loss) before Adjustments		**(2,134.12)**	**(5,560.79)**	**(436.50)**
[Add/(Less)] Adjustments: (Refer Note A (1) in Annexure IV				
Expenses relating to earlier years		0.00	31.55	0.00
Provision for Income Tax relating to earlier years		7.07	0.00	0.00
Net Adjustments		**7.07**	**31.55**	**0.00**
Restated Net Profit/ (Loss) after Taxation		**(2,127.05)**	**(5,529.24)**	**(436.50)**
Less:				
-Add/(Less): Share in Associates		36.87	(947.37)	(415.46)
Add/(Less): Minority Interest		1,022.17	1,125.97	1.51
Net Profit/ (Loss) after share of Associates & Minority interest		**(1,068.01)**	**(5,350.64)**	**(850.45)**
-Surplus/(Deficit) brought forward from		(6,195.61)	(844.97)	5.48

Particulars	Annexure	For the Years Ended		
		March 31, 2010	**March 31, 2009**	**March 31, 2008**
previous year				
Add : Adjustment on Acquisition of subsidiaries		57.75	0.00	0.00
Transfer to Reserve Fund (As per 45-IC of RBI Act)		335.10	0.00	0.00
Balance transferred to Balance Sheet		**(7,540.97)**	**(6,195.61)**	**(844.97)**

The accompanying significant accounting policies and notes to accounts (Annexure IV) form an integral part of this statement.

Annexure III

Consolidated Statement of Cash flows as Restated

(INR in Lakhs)

Particulars	**For the Years Ended**		
	March 31, 2010	**March 31, 2009**	**March 31, 2008**
Restated Net Profit/(Loss) before Tax & before Prior period items	(1,967.56)	(5,115.72)	(409.69)
Restatement Adjustments affecting Cash Flow:			
Add/(Less):			
Expenses of earlier years written off	0.00	(31.55)	0.00
Restated Net Profit/(Loss) before Tax and After Restatement Adjustments	(1,967.56)	(5,147.27)	(409.69)
Adjustments for:			
Depreciation	862.20	700.35	3.27
Interest & Financial Charges	865.73	220.06	12.85
Provision for Non-Performing Assets (Net of write back)	0.00	(4.39)	(0.27)
(Profit)/Loss on Sale of Assets (Net)	49.44	(0.63)	(0.06)
Interest Income	(692.14)	(855.48)	(216.62)
Dividend Income	(46.69)	(241.67)	(271.68)
Gain on Disposal of Associates	(1,321.18)	0.00	0.00
Gain on Disposal of Joint Ventures	(852.19)	0.00	0.00
Loss/(Profit) on sale of Investments	318.49	1,408.38	(19.88)
Provision for Doubtful Loans & Advances	53.45	0.00	0.00
Bad Debts Written Off Out of Provision	7.00	0.00	0.00
Operating Profit Before Working Capital Changes	(2,723.45)	(3,920.65)	(902.08)
Adjustment for:			
(Increase)/Decrease in Inventory	1,663.21	(1,358.11)	(2,510.17)
(Increase)/Decrease in Trade & other Receivables	(4,742.06)	8,196.00	(13,383.58)
Increase/(Decrease)in Current Liabilities and Provisions	(1,817.84)	(5,174.58)	9,480.48
Cash Generated from/(used in) Operations	(7,620.14)	(2,257.34)	(7,315.35)
Direct Taxes Paid/Refund received	(449.40)	(23.49)	(65.83)
Dividend Income	46.69	241.67	271.68
Interest Received	597.49	655.61	88.59
Net Cash from/ (used in) Operating Activities (A)	**(7,425.36)**	**(1,383.55)**	**(7,020.91)**
Cash Flow from Investing Activities			
Purchase/Acquisition of Fixed Assets	(3,066.44)	(1,040.80)	(7403.76)
Sale of Fixed Assets	1,661.05	2.00	0.36
Purchase of Investment	(23,172.81)	(27,694.15)	(71,270.43)
Sale of Investments	15,568.88	30,032.72	44,008.32
Net Cash (used in)/ from Investing Activities (B)	**(9,009.32)**	**1,299.77**	**(34,665.51)**
Cash Flow from Financing Activities			
Interest Paid	0.00	(220.06)	(12.85)
Proceeds from Borrowings	0.00	0.00	5709.43

Particulars	For the Years Ended		
	March 31, 2010	March 31, 2009	March 31, 2008
Proceeds from Share Application Money	0.00	825.00	0.00
Proceeds from Issue of Equity Shares	20,740.00	500.00	36,355.00
Repayment of Borrowings	(3,335.28)	(133.74)	0.00
Financial Charges	(865.73)	0.00	0.00
Net Cash from Financing Activities (C)	**16,538.99**	**971.20**	**42,051.58**
Net Increase in Cash & Cash Equivalents (A+B+C)	**104.31**	**887.42**	**365.16**
Cash and Cash Equivalents At the Beginning of the Year	1,287.53	400.11	34.95
Add : Adjustment on acquisition and Disposal of Subsidiaries and Joint Ventures during the year (Net)	460.20	0.00	0.00
Cash and Cash Equivalents At the End of the Year	1,852.04	1,287.53	400.11
Net Increase in Cash & Cash Equivalents	**104.31**	**887.42**	**365.16**

Annexure IV

A. Note on Adjustments to the Restated Summary Statements

1. Adjustment related to Prior Year Items

In the financial statements of certain subsidiaries and joint ventures for the years ended March 31, 2008 and 2009, expenses amounting to Rs. 31.55 lakhs and provision for taxation amounting to Rs. 7.07 lakhs have been identified as prior period items. For the purposes of this statement, such prior period items have been appropriately adjusted in the respective years. Where the entity was not a subsidiary or joint venture of Future Ventures India Limited in the respective previous years, the adjustment has been appropriately considered in the goodwill and minority interest relating to those subsidiaries and the goodwill relating to joint venture respectively.

B. Basis of Consolidation:

The consolidated financial statements relate to Future Ventures India Limited (the Company), its subsidiaries, joint ventures and associates. The Company, its subsidiaries, joint Ventures and associates constitute the Group.

a) Basis of Accounting:

I. The financial statements of the subsidiaries, joint ventures and associates used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31st except in the case of Celio Future Fashion Limited, (Joint Venture of subsidiary Indus League Clothing Limited) whose reporting date is January 31st.

II. The financial statements of the Group have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 as amended , and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

b) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.

II. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures.

III. Investments in associate companies has been accounted as per the ‘Equity method’, as laid down in Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and accordingly, the share of profit / loss of each of the associate companies has been added to / deducted from the cost of investments.

IV. The excess of cost to the Company, of its investment in the subsidiaries and joint ventures over the Company's portion of equity is recognised in the financial statement as Goodwill. The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.

V. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.

VI. Minority interest's share of net profit for the year of consolidated subsidiaries are identified and adjusted against the profit after tax of the group.

VII. The consolidated financial statements comprise the financial statements of Future Ventures India Limited and the following companies:-

Name of the Company	Relationship	Percentage held 2009-10	Percentage held 2008-09	Percentage held 2007-08	Date on which relationship came into Existence	Date on which relationship ceased
Aadhaar Retailing Limited	Subsidiary	70.00 %	70%	70%	27.03.2008	NA
Indus Tree Crafts Pvt. Limited	Subsidiary (PY – Associate)	52.53 %	43.18%		01.03.2010	NA
Indus League Clothing Limited	Subsidiary	66.20 %	14.28%		30.01.2010	NA
Star Shopping Centres Pvt Ltd	Subsidiary	60.00 %	-		17.04.2009	NA
Holii Accessories Pvt Ltd	Joint Venture	50.00%	-		02.11.2009	NA
Celio Future Fashion Limited	Joint Venture	-	49.99%		16.12.2008	30.01.2010
Footmart Retail India Limited	Joint Venture	-	50.00 %	50%	31.03.2008	21.01.2010
And Designs India Limited	Associate	22.86%	15.15%		21.10.2009	NA
Capital Food Exports Pvt Ltd	Associate	40.81 %	-		15.02.2010	NA
Lee Cooper (India) Limited	Associate	-	21.67 %	21.67%	31.03.2008	30.01.2010
Turtle Limited	Associate	-	26.00 %		01.12.2008	30.01.2010
Sankalp Retail Value Store Private Limited	Associate	-	29.40 %	29.40%	26.10.2007	28.01.2010
Lee Cooper (India) Limited	Subsidiary of Indus League	100%	-		30.01.2010	NA
Celio Future Fashion Limited	Joint Venture of Indus League	49.99%	-		30.01.2010	NA

Name of the Company	Relationship	Percentage held 2009-10	Percentage held 2008-09	Percentage held 2007-08	Date on which relationship came into Existence	Date on which relationship ceased
Turtle Limited	Associate of Indus League	26.00%	-		30.01.2010	NA

C. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements

2. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes all direct expenses relating to the acquisition and installation of fixed assets.

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

3. Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except the following:

(i) In the case of the Company and its subsidiary Industree Craft Pvt Ltd and associate and Design India Limited, fixed assets are depreciated on Written Down Value Method (WDV). However, the proportion of such assets which are depreciated on WDV method is not significant.

(ii) Computer software is depreciated over an estimated useful life of four to six years and Signage is depreciated over a useful life of three years.

(iii) Leasehold improvements are amortized over the estimated useful life or the period of lease whichever is less.

(iv) Intangibles in the nature of Goodwill, Trade Mark, and Other Intangibles are amortized over the estimated useful life of 10 years. Trade Mark in the case of one of the subsidiaries is amortized over a period of fifteen years being period for which it has the right of use as per the relevant agreement.

(v) Hard Furnishing assets which include computers, office equipments, air-conditioners etc are depreciated over the estimated useful life of the assets which ranges between 3 to 10 years depending on the nature of the assets and its usage.

Assets individually costing less than Rs.5000 are fully depreciated in the year of purchase.

4. **Investment**

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as trading investments. Other investments are classified as long-term investments.

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the balance sheet of the unlisted investee company is not available for two years, shares in such companies are valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting) Companies.

Trading investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as equity, preference, debentures etc and considered scrip-wise and the cost and market value aggregated for all investments in each category.

In the case of the Company, which is governed by guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies, the unquoted investments in the units of mutual funds in the nature of trading investments are valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

The reclassification of investments from long term to trading investments would be effected with the approval of the Board of Directors in accordance with the guidelines issued by Reserve Bank of India.

5. **Revenue Recognition**

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements, for the year.

Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Company obtains an enforceable obligation to pay the price or, in the event of sale, when the Company obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

The cost of investments acquired or purchased would include brokerage, stamp charges and any duties directly related to the acquisition of investment.

Dividend income is recognized when the right to receive the same is established.

Profit / Loss on sale of investments - Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the profit and loss account on the date of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized.

Fee for services rendered is recognized at the specific rates as per the terms of contract.

Advisory fee payable for advisory services is recognized at the specific rates and as per terms agreed.

5. Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer which normally coincides with delivery. Sales are stated net of returns, sales tax, rebates, etc.

6. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventory is determined on weighted average basis except in the case of raw materials which is determined on FIFO basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated costs necessary to make the sales.

7. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates.

Exchange differences arising on actual payment / realization and year end re-instatement referred to above are recognized in the Profit & Loss Account.

8. Leases

Operating leases payments are recognized as an expense in the Profit and Loss account on straight line bases over the lease term.

Finance lease is capitalized at fair value of the asset or the present value of minimum lease payment at the inception of the lease, whichever is lower.

9. Retirement Benefits

Defined Benefit Plan

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for.

Actuarial gains and losses arising from the effects of changes in actuarial assumptions are recognized in the profit & loss account in the year in which they are incurred.

Defined Contribution Plan

Fixed contributions to Provident Fund and Employees State Insurance are recognized in the accounts on actual cost to the Company.

Compensated Absences

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences determined on the basis of actuarial valuation as on the balance sheet date is provided for.

10. **Taxation**

Current tax is determined on the income for the year chargeable to tax in accordance with Income tax Act, 1961.

Deferred tax is recognized for all timing differences. Deferred tax assets are recognized subject to consideration of prudence.

11. **Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 its present value and are determined based on best 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 best estimates.

12. **Miscellaneous Expenditure**

Pre-incorporation expenses are written off over a period of five years.

Notes pertaining to 2007-08 :-

1. The name of the Company was changed from Subhikshith Finance and Investments Private Limited to Future Ventures India Private Limited effective from August 9, 2007. Subsequently, this name was changed to Future Ventures India Limited effective from September 7, 2007, after obtaining necessary regulatory approvals.

2. The Company has acquired investments in Sankalp Retail Value Store Private Limited, an associate on 26th October 2007. The goodwill arising on the date of investment aggregating to Rs. 2666.06 lakhs has been computed based on the unaudited financial statements of the associate as on the date of investment provided by the management for the purposes of our examination of Consolidated Financial Statement. Further, the share of loss in the above associate from the date of acquisition till 31st March 2008 aggregating to Rs. 415.46 lakhs has been considered based on the unaudited financial statements for the period 27th October 2007 to 31st March 2008 provided by the management.

3. **Share Capital**

During the year, the Company had issued 363,550,000 Equity shares at par value of Rs.10/- each on a private placement basis.

4. **Investments**

In the opinion of the management, no provision is considered necessary for diminution in the value of Quoted Long Term Investments, as the diminution is not considered other than temporary in nature.

Notes pertaining to 2008-09:-

1. The Company has acquired investments in Celio Future Fashion Limited, a Joint Venture on 16th December 2008 and in Turtle Limited, an associate on 1st December 2008. The goodwill arising on the date of investment aggregating to Rs. 89.14 lakhs and Rs. 834.62 lakhs respectively has been computed based on the unaudited financial statements of the investee Companies as on the date of investment provided by the management for the purpose of our examination of consolidated financial statement.

2. Share Capital

During the year, the Company had issued 5,000,000 Equity shares at par value of Rs.10/- each on a private placement basis.

3. Investments

The Company has invested an aggregate amount of Rs. 6010.01 lakhs in Sankalp Retail Value Stores Private Ltd, Lee Cooper (India) Private Ltd (Associate Companies) and Footmart Retail (India) Ltd. (Joint Venture) in the year 2007-08 whose net worth has eroded as at March 31, 2009.

The carrying value of investments in the said Associates includes Goodwill on acquisition aggregating to Rs. 5044.80 lakhs The Goodwill on acquisition of the said Joint Venture recognised in the Financial Statements is Rs. 989.17 lakhs.

These investments have been made in line with the investment policy of the Company which is to select companies which have business synergies and provide financial and technical support and grow them into profitable ventures.

The above investee companies, being start- up companies in the retail space, have made substantial investments to develop their infrastructure and distribution network for growth and are expected to do well going forward. Once the critical mass is attained and sufficient number of stores is opened, the entities are expected to break-even and generate a reasonable return on investments thereby significantly improving their net worth. These entities are operating as per their business plan which is being consistently monitored. Also, these are strategic investments and the Company has plans of turning them around into profitable ventures by providing them the necessary financial and advisory support.

Therefore, in the opinion of the management, the diminution in the value of the said investments are temporary in nature and consequently, no adjustment is considered necessary to the carrying value of investment in associates and goodwill recognized on acquisition of the joint venture.

In the opinion of the management, no provision is considered necessary for diminution in the value of Quoted Long Term Investments as the diminution is not considered other than temporary in nature.

Notes pertaining to 2009-10 –

1. Share Capital

During the year, the Company had issued 207,400,000 Equity shares at par value of Rs.10/- each on a private placement basis.

Annexure V

Share Capital

(INR in lakhs)

Particulars	March 31st, 2010	March 31st, 2009	March 31st, 2008
Authorised			
5,000,000,000 Equity Shares of Rs. 10/- each	500,000.00	500,000.00	500,000.00
Issued, Subscribed and Paid up Capital			
Equity Shares of Rs. 10/- each	**57,624.37**	**36,884.37**	**36,384.37**

Reserves and Surplus

Particulars	March 31st, 2010	March 31st, 2009	March 31st, 2008
Capital Redemption Reserve	5.20	5.20	5.20
General Reserve	0.59	0.59	0.59
Reserves and Surplus	**5.79**	**5.79**	**5.79**
Revaluation Reserve			
Opening Balance			
Add : Reserve in a subsidiary acquired during the year	25.84	-	-
Less : Transfer to Profit and Loss Account	(0.13)	-	-
Closing Balance	**25.71**	**-**	**-**
Statutory Reserve	-	-	-
Opening Balance	3.47	3.47	3.47
Add : Transfer during the year	335.10	-	-
Less : Adjustments			
Closing Balance	**338.58**	**3.47**	**3.47**

Annexure VI

Fixed Assets 2007-2008

(INR in Lakhs)

Description of Assets	Gross Block					Depreciation					Net Block
	As at 1st April 2007	Additions arising on acquisition of entities during the year	Otheradditions during the year	Deletions during the year	As at 31st March 2008	As at 1st April 2007	Additions arising on acquisition of entities during the year	For the year	Deletions	As at 31st March 2008	As at 31st March 2008
Land	**0.00**	**532.75**	**0.00**	**0.00**	**532.75**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**532.75**
Building	**0.00**	**553.64**	**0.00**	**0.00**	**553.64**	**0.00**	**29.82**	**0.32**	**0.00**	**30.14**	**523.50**
Office Equipments	**0.46**	**323.61**	**12.69**	**0.46**	**336.30**	**0.37**	**4.00**	**0.51**	**0.37**	**4.50**	**331.80**
Computers	**2.27**	**391.50**	**20.19**	**2.27**	**411.69**	**2.16**	**8.06**	**1.68**	**2.16**	**9.74**	**401.95**
Furniture & Fixtures	**0.17**	**579.77**	**2.25**	**0.17**	**582.02**	**0.06**	**11.23**	**0.20**	**0.06**	**11.43**	**570.59**
Vehicles	**4.33**	**0.00**	**0.00**	**4.33**	**0.00**	**4.27**	**0.00**	**0.06**	**4.33**	**0.00**	**0.00**
Plant & Machinery	**0.00**	**5.21**	**0.00**	**0.00**	**5.21**	**0.00**	**0.02**	**0.00**	**0.00**	**0.02**	**5.19**
Leasehold improvement	**0.00**	**625.98**	**0.00**	**0.00**	**625.98**	**0.00**	**5.65**	**0.08**	**0.00**	**5.73**	**620.26**
Signage	**0.00**	**79.86**	**0.00**	**0.00**	**79.86**	**0.00**	**0.42**	**0.01**	**0.00**	**0.42**	**79.43**
Goodwill (Intangible Assets)	**0.00**	**3,662.03**	**0.00**	**0.00**	**3,662.03**	**0.00**	**30.10**	**0.42**	**0.00**	**30.52**	**3,631.51**

Description of Assets	Gross Block					Depreciation					Net Block
	As at 1st April 2007	Additions arising on acquisition of entities during the year	Otheradditions during the year	Deletions during the year	As at 31st March 2008	As at 1st April 2007	Additions arising on acquisition of entities during the year	For the year	Deletions	As at 31st March 2008	As at 31st March 2008
Total	7.23	6,754.36	35.13	7.23	6789.48	6.86	89.30	3.27	6.92	92.50	6696.98
Proportionate Share in Joint Venture	**0.00**	**696.33**	**0.00**	**0.00**	**696.33**	**0.00**	**61.76**	**0.00**	**0.00**	**61.76**	**634.57**
Grand Total	**7.23**	**7,450.69**	**35.13**	**7.23**	**7,485.81**	**6.86**	**151.06**	**3.27**	**6.92**	**154.26**	**7,331.55**

Annexure VI (Cont…)

Fixed Assets 2008-2009

(INR in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1st April 2008	Other additions during the year	Deletions during the year	As at 31st March 2009	As at 1st April 2008	For the year	Deletions	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Land	532.75	0.00	0.00	532.75	0.00	0.00	0.00	-	532.75	532.75
Building	553.64	40.14	0.00	593.78	30.14	9.08	0.00	39.24	554.54	523.50
Office Equipments	336.30	108.90	0.00	445.20	4.50	24.85	0.00	29.35	415.87	331.80
Computers	411.69	225.70	0.00	637.39	9.74	1,14.17	0.00	123.91	513.48	401.95
Furniture & Fixtures	582.02	256.49	1.44	837.07	11.43	50.83	0.07	62.19	774.88	570.59
Vehicles	0.00	12.88	0.00	12.88	0.00	1.08	0.00	1.08	11.80	0.00
Plant & Machinery	5.21	1.70	0.00	6.91	0.02	0.31	0.00	0.33	6.57	5.19
Leasehold improvement	625.98	123.84	0.00	749.83	5.73	47.11	0.00	52.84	696.99	620.26
Signage	79.86	91.96	0.00	171.81	0.42	40.03	0.00	40.45	131.36	79.43
Goodwill (Intangible Assets)	3,662.03	0.00	0.00	3,662.03	30.52	366.20	0.00	396.72	3,265.31	3,631.51
Total	6,789.48	861.61	1.44	7,649.65	92.50	653.66	0.07	746.11	6,903.55	6,696.98

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1st April 2008	Other additions during the year	Deletions during the year	As at 31st March 2009	As at 1st April 2008	For the year	Deletions	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Proportionate Share in Joint Ventures	696.33	118.31	168.75	645.89	61.76	46.69	20.57	87.87	558.01	634.57
Grand Total	**7,485.81**	**979.92**	**170.19**	**8,295.54**	**154.26**	**700.35**	**20.64**	**833.98**	**7,461.56**	**7,331.55**

Annexure VI (Cont…)

Fixed Assets 2009-2010

(INR in Lakhs)

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1st April 2009	Additions arising on acquisition of entities during the year	Other additions during the year	Deletions during the year	As at 31st March 2010	As at 1st April 2009	Additions arising on acquisition of entities during the year	For the year	Deletions	As at 31st March 2010	As at 31st March 2010	As at 31st March 2009
Land	532.75	42.04	0.00	0.00	**574.79**	0.00	0.00	0.00	0.00	**0.00**	**574.79**	532.75
Building	593.78	49.77	0.00	0.00	**643.55**	39.24	4.93	9.87	0.00	**54.03**	**589.52**	554.54
Office Equipments	445.20	227.26	28.34	25.80	**675.02**	29.35	57.93	25.86	3.26	**109.88**	**565.14**	415.87
Computers & Software	637.39	435.31	13.42	2.61	**1,083.50**	123.91	304.00	138.99	0.96	**565.94**	**517.57**	513.48
Furniture & Fixtures	837.07	342.99	65.70	21.34	**1,224.42**	62.19	77.87	60.43	3.13	**197.35**	**1,027.06**	774.88
Vehicles	12.88	7.21	0.00	0.00	**20.10**	1.08	4.99	3.12	0.00	**9.19**	**10.91**	11.80
Plant & Machinery	6.91	240.02	23.90	2.17	**268.65**	0.33	52.42	3.18	0.19	**55.74**	**212.91**	6.57
Leasehold improvement	749.83	147.83	46.33	3.46	**940.53**	52.84	96.24	60.89	1.44	**208.53**	**732.00**	696.99
Electrical Fittings	0.00	0.65	0.00	0.00	**0.65**	0.00	0.03	0.02	0.00	**0.05**	**0.61**	0.00
Signage	171.81	0.00	14.11	0.00	**185.92**	40.45	0.00	58.67	0.00	**99.12**	**86.79**	131.36

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1st April 2009	**Additions arising on acquisition of entities during the year**	**Other additions during the year**	**Deletions during the year**	**As at 31st March 2010**	**As at 1st April 2009**	**Additions arising on acquisition of entities during the year**	**For the year**	**Deletions**	**As at 31st March 2010**	**As at 31st March 2010**	**As at 31st March 2009**
UPS	0.00	3.29	0.00	0.00	**3.28**	0.00	1.00	0.03	0.00	**1.03**	**2.26**	0.00
Shop Interior	0.00	3,404.64	8.73	0.53	**3,412.85**	0.00	1,011.00	61.20	0.00	**1,072.20**	**2,340.65**	0.00
TradeMark	0.00	1007.04	0.00	0.00	**1,007.04**	0.00	241.57	12.79	0.00	**254.37**	**752.65**	0.00
Goodwill (Intangible Assets)	3,662.03	0.00	0.00	0.00	**3,662.03**	396.72	0.00	366.20	0.00	**762.92**	**2,899.11**	3,265.31
Total	**7,649.65**	**5,908.05**	**200.53**	**55.91**	**13,702.33**	**746.11**	**1,851.98**	**801.25**	**8.98**	**3,390.36**	**10,311.97**	**6,903.55**
Proportionate Share in Joint Ventures	**645.89**	**310.65**	**1000.81**	**1611.38**	**345.97**	**87.87**	**30.20**	**61.08**	**147.94**	**31.21**	**314.76**	**558.01**
					-							
Grand Total	**8,295.54**	**6,218.70**	**1,201.34**	**1,667.29**	**14,048.30**	**833.98**	**1,882.18**	**862.33**	**156.91**	**3,421.57**	**10,626.73**	**7,461.56**

Annexure VII

Goodwill on Consolidation

(INR in lakhs)

Goodwill recognised in the financial statements with regard to subsidiary and joint ventures is as follows:

Name of the Company	March 31st, 2010	March 31st, 2009	March 31st, 2008
Subsidiary			
Aadhar Retailing Limited	262.51	262.15	262.15
Indus League Clothing Limited	16,408.42		
Indus Tree Craft Private Limited	517.92		
Star Shopping Centres Private Limited	162.77		
Lee Cooper (India) Limited	5,436.83		
Joint Venture			
Footmart Retail India Limited	-	1020.72	1020.72
Celio Future Fashion Limited	89.14	89.14	-
Holii Accessories Private Limited	0.15	-	-
Total	**22,877.74**	**1,372.01**	**1,282.87**

Goodwill included in carrying amount of investments in Associates

Name of the Company	March 31st, 2010	March 31st, 2009	March 31st, 2008
And Designs India Limited	371.45	-	-
Capital Food Exports Private Limited	3,374.98	-	-
Lee Coopers (India) Private Limited	-	2,378.74	2,378.74
Sankalp Retail Value Store Private Limited	-	2,666.06	2,666.06
Industree Craft Private Limited	-	694.35	-
Turtle Limited	834.62	834.62	-
Total	**4,581.05**	**6,573.77**	**5,044.80**

Annexure VIII

Investments

(INR in Lakhs)

Particulars	**March 31st 2010**	**March 31st 2009**	**March 31st 2008**
	Rs.	**Rs.**	**Rs.**
A. Long Term Investments			
a) Investment in Associates			
Cost of Investment	6,256.44	7,196.03	5405.00
Add: Share of Profit/(Loss) of Associate	(1,325.97)	(1,362.85)	(415.47)
Add: Adjustment on Disposal of Associates	1,429.49		
	6,359.96	5,833.18	4,989.53
b) Unquoted – Trade			
Equity Shares - Others	2,874.30	7,698.94	6,620.22
Fully Convertible Debentures		250.00	700.00
c) Quoted – Non – Trade			
Equity Shares - Others	0.06	4,787.32	6,315.27
d) Unquoted – Non- Trade			
Units of Mutual Funds			3,000.00
B. Trading Investments			
(ii) Unquoted - Non- Trade & others	0.58		
Units of Mutual Funds	857.99	3,627.86	5,240.92
Proportionate Share in a Joint Venture		0.57	0.57
(Long Term, Unquoted & Non- Trade)			
Total	**10,092.89**	**22,197.87**	**26,866.51**
Value of Quoted Investments			
- Cost	**0.06**	**4,787.32**	**6,315.27**
- Market Value	**0.29**	**845.46**	**3,612.79**
Value of Unquoted Investments	**10,092.83**	**17,410.55**	**20,551.24**

Annexure IX

Statement of Receivables

(INR in Lakhs)

Particulars	As at		
	March 31, 2010	March 31, 2009	March 31, 2008
Sundry Debtors	14,103.14	43.83	0.00
Sundry Debtors -Proportionate share in Joint ventures	395.54	494.39	22.22
Total	**14,498.68**	**538.22**	**22.22**

Ageing of Receivables:

(INR in Lakhs)

Particulars	As at		
	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding for a period exceeding six months			
Considered Good	6,213.06	0.00	0.00
Considered Doubtful	19.07	0.00	0.00
Less: Provision for Doubtful Debts	(19.07)	(0.00)	(0.00)
Others – Considered Good	7,890.08	43.83	0.00
Proportionate share of JV	395.54	494.39	22.22
Total	**14,498.68**	**538.22**	**22.22**

Details of transaction with Promoters/ Group Companies/ Related Parties

Particulars	As at		
	March 31, 2010	March 31, 2009	March 31, 2008
Promoters	-	-	-
Group Companies#	-	-	-
Associate Companies	-	-	-
Other related Parties	-	-	-

The Group Companies have been identified by the Company and relied upon by the auditors

Annexure X

Statement of Inventories

(INR in Lakhs)

Particulars	As At		
	March 31, 2010	March 31, 2009	March 31, 2008
Retail Merchandise	9,922.70	2,426.14	2,108.25
Proportionate share in Joint ventures	199.99	1,442.14	401.92
Total	**10,122.69**	**3,868.28**	**2,510.17**

Annexure XI

Cash and Bank Balances

(INR in lakhs)

Particulars	March 31st, 2010	March 31st, 2009	March 31st, 2008
Cash and Cheques on Hand	228.58	43.60	152.13
Balance with Scheduled Bank			
In Current Account	1,333.90	831.09	239.43
In Fixed Deposit Accounts	202.81	74.00	
Proportionate Share in Joint Ventures	86.75	338.84	8.55
Total	**1,852.04**	**1,287.53**	**400.11**

Annexure XII

Statement of Other Current Assets

(INR in Lakhs)

Particulars	As At		
	March 31, 2010	March 31, 2009	March 31, 2008
Advance Tax	769.96	284.89	66.72
Advance recoverable in Cash or in kind or for value to be recd.	528.13	406.60	2923.69
Loans Outstanding (Including ICDs)	9,575.00	3,850.00	10,100.00
Interest Accured on Deposits & ICD	70.41	97.46	92.39
Other Deposits	1,597.60	127.02	88.40
Proportionate share in Joint ventures	203.60	269.60	253.01
Total	**12,744.70**	**5,035.57**	**13,524.21**
Promoters	-	140.00	140.00
Group Companies#	4,200.00	2,950.00	5,000.00
Associate Companies	-	-	-
Other related Parties	-	-	-

The Group Companies have been identified by the Company and relied upon by the auditors

Annexure XIIIA

Statement of Secured & Unsecured Loans

Loans from Banks

(INR in Lakhs)

Secured loans	March 31, 2010	March 31, 2009	March 31, 2008
Loans from banks			
Cash credit facilities	8,520.56		
Proportionate Share in Joint Venture		810.91	860.18
Working capital demand loan	1,479.81		
Finance Lease	23.82		
Term loans	1,327.33		
Total Secured loan	**11,351.52**	**810.91**	**860.18**
Amounts repayable within one year	525.45	557.78	208.70

UnSecured loans	March 31, 2010	March 31, 2009	March 31, 2008
Intercorporate Deposits	5,451.12	4764.77	4,849.25
Other Loans	75.53		
Total Unsecured loans	**5,526.65**	**4,764.77**	**4,849.25**
Amounts repayable within one year	5,396.94	4,764.77	4,849.25
Promoters	2,260.83		
Group Companies#	1,900.00		
Associate Companies	-		
Other related Parties	-		

The Group Companies have been identified by the Company and relied upon by the auditors

Brief terms and conditions of secured and unsecured loans including repayment schedule are given in Annexure XIIIB (Separate Sheet).

Annexure - XIIIB

(INR in Lakhs)

Particulars of Loan	Institution/ Bank/ Party	Sanctioned Amt (Rs.)	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
Cash Credit	Central Bank of India, Corporate Finance Branch	300.00	279.81	12%	0	Hypothecation of stocks and book debts upto 90 days
Cash Credit	SBI	6,000.00	5,896.64	12.50%	05-Mar-11	**Primary:** Hypothecation of entire current assets of Company, present and future, on pari passu basis with other members
Cash Credit	Axis	1,200.00	84.54	11.25%	16-Mar-11	**Primary:** Pari passu first charge on entire current assets both present & future. **Collateral:** Pari passu second charge on moveable fixed assets. **Guarantee:** Corporate guarantee of Pantaloon Industries Ltd. & Personal Guarantee of Mr. Kishore Biyani.
Cash Credit	ING	500.00	41.96	12.25%	31-Jan-11	**Primary**: First Charge by hypothecation of entire raw materials, WIP, finished goods, receivables and other current assets, on pari passu basis with other lenders under multiple banking arrangements. **Collateral**: Second Charge on the fixed assets of company on pari passu basis with other lenders. **Guarantee:** Personal Guarantee of Kishore Biyani.

Annexure – XIIIB

(INR in Lakhs)

Particulars of Loan	Institution/ Bank/ Party	Sanctioned Amt (Rs.)	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
Cash Credit	ING	2,000.00	1,708.62	9.50%	normally rollover done for 30 days	**Primary**: First Charge by hypothecation of entire raw materials, WIP, finished goods, receivables and other current assets, on pari passu basis with other lenders under multiple banking arrangements. **Collateral**: Second Charge on the fixed assets of company on pari passu basis with other lenders. **Guarantee:** Personal Guarantee of Kishore Biyani.
Cash Credit	Axis	800.00	788.87	10.75%	16-Mar-11	
From Gita Ram	Gita Ram	67.58	75.13	12.50%	NA	NA
From Neelam Chhiber	Neelam Chhiber	0.40	0.40	NIL	NA	NA
Machine Loan	Sundaram Finance Ltd.	12.38	6.26	14.73%	47 monthly Installment of Rs. 26,340 each. 17th of every month	Hypothicated on the asset
Machine Loan	Sundaram Finance Ltd.	1.47	0.74	15.05%	47 monthly Installment of Rs. 3,125 each. 17th of every month	Hypothicated on the asset
Machine Loan	Sundaram Finance Ltd.	0.83	0.42	14.75%	47 monthly Installment of Rs. 1,765 each. 17th of every month	Hypothicated on the asset
Machine Loan	Sundaram Finance Ltd.	1.15	0.40	14.00%	41 monthly Installment of Rs. 2,815 each. 17th of every month	Hypothicated on the asset

Annexure - XIIIB

(INR in Lakhs)

Particulars of Loan	Institution/ Bank/ Party	Sanctioned Amt (Rs.)	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
Machine Loan	Sundaram Finance Ltd.	4.62	(0.04)	10.03%	35 Monthly Installment of Rs. 13,200 each. 17th of every month	Hypothicated on the asset
Machinery Lease	Pantaloon Industries Ltd.		23.82	10%	31-12-11	Closure date of Machinery Lease Rs. 1.26 Lakhs p.m repayment upto 31-12-2011
Inter Corporate Deposit	Godrej Agrovet Ltd.	4,700.00	803.57	15%	< One Year	
Inter Corporate Deposit	Future Capital Holding	1,900.00	1,900.00	15%	90 days	
Inter Corporate Deposit	Pantaloon Industries Limited	50.00	50.00	-	-	-
Inter Corporate Deposit	Pantaloon Retail (India) Limited	200.00	200.00	12%	31st May 2010-Rs.40,00,000 30th June 2010 - Rs.60,00,000 31st July 2010 - Rs.1,00,00,000	Post Dated Cheques for the amount of ICD and Interest thereon.
Inter Corporate Deposit	Pantaloon Industries Ltd.		2,000.00	0%		Short Term Inter-corporate deposit from PRIL.
Interest Accrued on ICD	Godrej Agrovet Ltd.	-	495.00			

Annexure - XIIIB

(INR in Lakhs)

Particulars of Loan	Institution/ Bank/ Party	Sanctioned Amt (Rs.)	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
Term Loan	Central Bank of India, Corporate Finance Branch	778.00	169.63	11.5%	Quarterly Installment of Rs.48,62,500/-	1st charge on the fixed assets created out of Term Loan
Working Capital Demand Loan	Central Bank of India, Corporate Finance Branch	1,200.00	1,200.00	12%	-	Hypothecation of stocks and book debts upto 90 days
Term Loan	Axis	2,000.00	1,149.92	12.50%	31-Jul-12	Closure date of Term Loan - Rs. 41.6 Lakhs PM repayment upto 31-Jul-12

Annexure XIV

Statement of Current Liabilities and Provisions

(INR in Lakhs)

Particulars	As At		
	March 31, 2010	March 31, 2009	March 31, 2008
Current Liabilities:			
Outstanding expenses (including Sundry.creditors)	6,002.59	1,153.34	8,488.09
Other Liabilities (Including TDS on salary, professional charges & others)	1,088.07	400.41	76.45
Proportionate share in Joint ventures	501.27	2,716.60	861.75
Total Current Liabilities	**7,591.93**	**4,270.35**	**9,426.29**
Provisions:			
Other Provision	1.03	0.00	31.55
Provision for Taxation	455.33	30.33	32.68
Provision for Gratuity & Compensated absences	128.96	33.21	51.89
Proportionate share in Joint ventures	58.96	2.70	2.68
Total Provisions	**644.28**	**66.24**	**118.80**

Annexure XV

Statement of Deferred Tax

Deferred Tax Liability (Net)

(INR in Lakhs)

Particulars	As at 31st March'2010	As at 31st March'2009	As at 31st March'2008
Depreciation	32.69	439.61	76.65
Provision for compensated absences & gratuity	(0.63)	(6.36)	(17.64)
Others	-	(28.47)	(34.91)
	32.06	**404.78**	**24.10**

Deferred Tax Asset (Net)

Particulars	As at 31st March'2010	As at 31st March'2009	As at 31st March'2008
Depreciation	498.70	2.40	0.00
Provision for compensated absences & gratuity	(41.16)	(4.93)	0.00
Business Loss and unabsorbed depreciation	(495.11)	-	0.00
	(37.57)	**(2.53)**	**0.00**

Annexure XVI

Income from Investing Activity

(INR in Lakhs)

Particulars	**For the year ended 31st March 2010**	**For the year ended 31st March 2009**	**For the year ended 31st March 2008**
	Rs.	**Rs.**	**Rs.**
Interest Income:			
- On Investments - Trade	12.53	8.36	70.00
- On Investments - Non Trade	-	-	56.55
- Others	674.14	754.69	89.43
Dividend Income	46.69	241.67	271.68
Profit on Sale of Investments	-	-	19.88
Total (A)	**733.36**	**1004.72**	**507.54**
Profit/(Loss) on trading securities:			
Sales of trading Securities	11,963.88	4,821.30	-
Less : Cost of Sales	12,282.37	6,229.68	-
Total (B)	**(318.49)**	**(1,408.38)**	**-**

Annexure XVII

Statement of Other Income

(INR in Lakhs)

Particulars	**For the Years Ended**		
	March 31, 2010	**March 31, 2009**	**March 31, 2008**
Non-Recurring			
Provision no longer required written back	0.00	4.39	0.27
Cash Discount Received	51.66	0.00	0.00
Gain on Disposal of Associates	1,321.18	0.00	0.00
Gain on Disposal of Joint Venturers	852.19	0.00	0.00
Rental Income	4.82	0.00	1.41
Miscellaneous Income	67.88	0.00	0.05
Total other income	**2,297.73**	**4.39**	**1.73**

Annexure XVIII

Cost of Goods Sold

(INR in Lakhs)

Particulars	**For the year ended 31st March 2010**	**For the year ended 31st March 2009**	**For the year ended 31st March 2008**
	Rs.	**Rs.**	**Rs.**
COST OF GOODS SOLD			
Opening Stock of Raw Materials	553.49	**-**	**-**
Add: Purchases	660.21	**-**	**-**
Closing Stock of Raw Materials	(494.47)	**-**	**-**
	719.23	**-**	**-**
Packing Material	(21.69)	-	-
Warehousing Charges	8.93	-	-
Freight and Forwarding Charges	130.31	298.96	0.05
Dyeing/Testing Charges	0.72	-	-
Conversion Charges	587.38	-	-
Labour charges	2.07	-	-
Consumables	31.17	31.50	0.01
	-	-	-
Proportionate Share of Joint Ventures	83.00	-	-
Total (A)	**1,541.12**	**330.46**	**0.06**
ACCRETION/DECRETION IN INVENTORY			
Opening Stock of Work In Progress	**-**	**-**	**-**
Add: Adjustment on acquisition of subsidiary	1,889.68	-	-
Closing Stock of Work In Progress	(1,053.33)	-	-
	836.35	**-**	**-**
Opening Stock of Finished Goods / Traded Goods	**-**	**-**	**-**
Add: Adjustment on acquisition of subsidiary	9,130.39	2,108.25	30.48
Add: Purchases	7,227.83	11,551.95	4.67
Closing Stock of Finished Goods / Traded Goods	(8,374.91)	(2,426.14)	(28.80)
	7,983.31	**11,234.06**	**6.35**
Proportionate Share of Joint Ventures	2,056.86	958.53	-
Total (B)	**10,876.52**	**12,192.59**	**6.35**
Total (A + B)	**12,417.64**	**12,523.05**	**6.41**

Annexure XIX

Employee Costs

(INR in lakhs)

Particulars	For the year ended 31st March 2010	For the year ended 31st March 2009	For the year ended 31st March 2008
	Rs.	Rs.	Rs.
Salaries Wages & Bonus	2,029.47	1,770.95	74.84
Contribution to Provident and Other Funds	70.16	81.14	1.64
Staff Welfare Expenses	88.12	62.29	5.37
Proportionate Share in Joint Ventures	220.82	123.50	-
Total	**2,408.57**	**2,037.88**	**81.85**

Annexure XX

Administrative and Other Expenses

(INR in Lakhs)

Particulars	**For the year ended 31st March 2010**	**For the year ended 31st March 2009**	**For the year ended 31st March 2008**
	Rs.	**Rs.**	**Rs.**
Rent	797.78	554.45	7.31
Electricity	1.14	-	-
Power, Water & Fuel	146.50	192.14	0.14
Freight & Octroi	34.91	-	-
Advertisement, Publicity & Selling expenses (includes Free samples)	484.86	291.80	0.22
Commission and Brokerage	225.77	-	-
Cash Discount	58.64	-	-
Repairs & Maintenance	56.73	24.87	0.01
Travelling Expenses	127.46	277.36	2.41
Postage, Telephone & Stationery	74.34	111.62	0.20
Legal and Professional Charges	112.82	261.46	186.48
Rates & Taxes	45.54	1.17	609.60
Insurance	36.71	20.23	0.01
Audit Fees :	-	-	-
- Statutory Audit	17.39	8.50	4.51
- Tax Audit	5.00	2.29	0.50
- Other Services	9.68	4.20	0.01
- Out of Pocket Expenses (Including Taxes)	5.12	1.76	0.62
	-	-	-
Directors Sitting Fees	4.40	9.60	1.40
Sundry balance written off	0.56	-	-
Loss on Sale/Retirement of Fixed Assets	34.20	-	-
Provision for Doubtful loans & Advances	53.44	-	-
Security & Housekeeping Expenses	94.25	159.62	0.10
Royalty	46.96	-	-
Bad Debts Written Off	5.20	-	-
Miscellaneous Expenses	45.68	202.04	7.27
Proportionate Share in Joint Ventures	503.03	575.74	-
Total	**3,028.11**	**2,698.85**	**820.79**

Annexure XXI

Interest & Financing Charges

(INR in Lakhs)

Particulars	**For the year ended 31st March 2010**	**For the year ended 31st March 2009**	**For the year ended 31st March 2008**
	Rs.	**Rs.**	**Rs.**
Interest on			
- Working Capital Loans	207.74	-	-
- Fixed Loans	557.81	75.61	1.42
- Term Loans	24.07	-	-
- Others	99.83	-	11.41
Bank Charges	6.32	-	-
Lease Charges	0.51	-	-
Finance Charges	26.30	11.88	0.01
Proportionate Share in Joint Ventures	119.71	132.57	-
Total	**1,042.29**	**220.06**	**12.84**

Annexure XXII

Disclosure relating to Employee Benefits

The Group has a defined benefit gratuity plan and the details of actuarial valuation as on 31st March 2008, 2009 and 2010 are given below:

(INR in Lakhs)

Particulars	For the year ended March 31,2010	For the year ended March 31,2009	For the year ended March 31,2008
Current Service Cost	11.55	13.39	11.20
Interest cost on benefit obligation	2.23	0.80	0.00
Benefits Settled	(0.61)	0.00	0.00
Net actuarial (Gain)/Loss recognised in the period	(10.99)	(5.23)	(1.14)
Past service cost	0.00	0.00	0.00
Net benefit expenses	2.18	8.96	10.06
Amounts recognised in balance sheet			
Defined benefit obligation	87.67	20.15	10.06
Fair Value of Plan assets	(10.50)	(10.06)	0.00
Unrecognised(Asset)/ Liability	77.17	10.09	10.06
Change in the present value of the defined benefit obligation are as follows			
Obligation at period beginning	74.99	10.06	0.00
Current service cost	11.55	13.39	11.20
Interest on defined Obligation	0.90	0.00	0.00
Benefits paid	0.72	0.80	0.00
Actuarial (Gain)/ Losses on obligation	(10.99)	(4.10)	(1.14)
Closing defined benefit obligation	0.00	0.00	0.00
Obligation at period end	77.17	20.15	10.06
Discount Rate (%)	7%-8%	7%-8%	7%-8%
Salary escalation rate (5)	5%-6%	5%-6%	5%-6%

Annexure XXIII

Segmental Reporting

a) Business Segments

The business segment has been considered as a primary segment for disclosure.
The products included in each of the business segments are as follows:

Retail – Retailing of General Merchandise
Investment – Acquisition and holding of Investments

The above segments have been identified taking into account the organization structure as well as the differing risks and returns of these segments.

Details are given in Annexure XXIII (Separate Sheet)

b) Geographical Segment

The entire operations of the group are carried out in India. However the subsidiary companies Indus League Clothing Limited and Indus Tree Craft Private Limited have done business outside India as well. The disclosures related to geographical segment are given below.

(INR in Lakhs)

Particulars	India	Outside India	Total
Sales	4,369.58	6.20	4,375.78
Debtors	11,610.93	121.60	11,732.52

This related to 2009-10 and there was no geographical segment in the prior years.

Annexure XXIII

Segment Reporting

(INR in lakhs)

	Particulars	Retail			Investments			Eliminations	Eliminations	Eliminations	TOTAL COMPANY	TOTAL COMPANY	TOTAL COMPANY
		2009-2010	2008-2009	2007-2008	2009-2010	2008-2009	2007-2008	2009-2010	2008-2009	2007-2008	2009-2010	2008-2009	2007-2008
A	**SEGMENT REVENUE**												
1	External Revenue	15,247.11	13,374.94	6.96	2,575.72	(310.47)	508.51	-			17,822.83	13,064.47	515.47
2	Inter-segment Revenue	2,160.96	14.15			8.14		(2,160.96)	(22.28)				
	TOTAL SEGMENT REVENUE	**17,408.07**	**13,389.09**	**6.96**	**2,575.72**	**(302.33)**	**508.51**	**(2,160.96)**	(22.28)		**17,822.83**	**13,064.47**	**515.47**
B	**RESULTS**												
3	Segment Results	(3,027.10)	(3,882.75)		2,101.83	(1,012.91)	(393.64)				(925.27)	(4,895.66)	(396.85)
4	Interest and finance charges	(1,183.93)	(220.06)	(1.43)	-	-	(11.41)	141.64	22.28		(1,042.29)	(220.06)	(12.84)
5	Income Taxes	266.82	(35.37)	(0.39)	(426.31)	(378.15)	(26.43)	-			(159.49)	(413.52)	(26.81)
6	Prior period item	(7.07)	(31.55)	0.00	-	-	0.00				(7.07)	(31.55)	0.00
7	Net Profit/(Loss) after taxes before adjustment	**(3,951.28)**	**(4,548.29)**	**(5.02)**	**1,675.52**	**(1,012.51)**	**(431.48)**	141.64	22.28		**(2134.12)**	**(5,560.79)**	**(436.50)**
8	Prior period Ajustment										7.07	31.55	0.00
8	Minority Interest in Net Income/(Loss)										1,022.17	1,125.97	1.51
9	Share of Profit/(Loss) of Associates										36.87	(947.37)	(415.46)
10	Net Profit/(Loss) after share of Associates and Minority Interest										(1,068.01)	(5,350.64)	(850.45)
C	**SEGMENT ASSETS**	2,4510.80	3,004.61	9,954.06	58,377.17	35,641.52	39,426.81	-			82,887.97	38,646.13	49,380.87
	Unallocated Assets										37.57	2.53	1,287.50
	Proportionate Share in Joint Venture										89.34	3244.81	1,338.28
	TOTAL ASSETS										**83014.88**	**41,893.47**	**52006.65**
D	**SEGMENT LIABILITIES**	31,977.91	5,995.67	6,021.90	506.49	186.39	7,508.03				32,484.40	6,182.06	13,529.93
	Unallocated Liabilities	-	-		-	-		-			32.06	1,283.18	1,203.47
	Proportionate Share in Joint Venture	-	-		-	-					44.94	3730.21	1,724.59
	TOTAL LIABILITIES										**32,561.40**	**11,195.45**	**16457.99**
E	**CAPITAL EXPENDITURE**	199.15	838.06	6,803.78	1.38	23.55	35.12				200.53	861.62	6,838.91
	Proportionate Share in Joint Venture	-	-		-	-					1,000.81	118.31	715.91
F	**DEPRECIATION**	789.68	640.91	0.00	11.57	12.76	2.14			1.13	801.25	653.67	3.27
	Proportionate Share in Joint Venture	-	-	-	-	-	-	-	-	-	61.08	46.69	-
G	**NON CASH EXPENSES OTHER THAN DEPRECIATION**	-	-	-	-	-	-	-	-	-	-	-	-

Annexure XXIV

Disclosure relating to Leases

Operating Leases

The Subsidiary's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. With respect to the Joint Venture, these are generally not non cancellable and are renewable either by mutual consent on mutually agreed terms or at the option of the lessee.

Lease Expenses - Subsidiary

(INR in Lakhs)

Particulars	31st March 2010	31st March 2009	31st March 2008
Lease payments for the year	555.14	516.26	6.64
Minimum Lease Payments			
Not later than one year	240.77	288.96	364.58
Later than one year but not later than five years	264.02	442.03	1,886.15
Later than five years	55.93	92.00	4,753.80

Lease Expenses – Proportionate Share in Joint venture

(INR in Lakhs)

Particulars	31st March 2010	31st March 2009	31st March 2008
Lease payments for the year	0.00	224.71	284.05
Minimum Lease Payments			
Not later than one year	0.00	18.47	252.74
Later than one year but not later than five years	0.00	68.43	974.11
Later than five years	0.00	73.39	671.69

Lease Income in Subsidiary

(INR in Lakhs)

Particulars	31st March 2010	31st March 2009	31st March 2008
Lease rentals received during the year	35.74	-	-
Minimum Lease Payments			
Not later than one year	37.09	-	-
Later than one year but not later than five years	46.37	-	-

Finance Lease in a Subsidiary

(INR in Lakhs)

Particulars	31st March 2010	31st March 2009	31st March 2008
Lease payments for the year	15.14	0.00	0.00
Minimum Lease Payments			
Not later than one year	15.14	0.00	0.00
Later than one year but not later than five years	11.35	0.00	0.00
Later than five years	0.00	0.00	0.00

Annexure - XXV

Related Party Transactions

Related parties referred to in this report represent related parties as defined in Accounting Standard 18,"Related Party Disclosures" notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 and as identified by the management and relied upon by the auditors. Details of related party transactions have been given in **Annexure XXV** (Separate sheet)

Disclosure in accordance with Accounting Standard 18 – Related Party Transactions

Related Party Transactions 2009 – 2010

(INR in Lakhs)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2010 (Including int. receivables)	Payables Balance Outstanding as at 31st March 2010	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Issue of Equity shares	Expenses & Reimbursement	Sale of Investment	Purchase of Asset	Investment in Equity/Pref. shares
Indus Tree Crafts Private Limited	Associate upto 28th Feb 2010			7.40	550.00	200.00					300.00
Sankalp Retail Value Stores Pvt. Limited	Associates upto 28th Jan2010								#3,000.00		
Lee Cooper (India) Limited	Associate upto 30th Jan 2010				#1,100.00			0.51	#5467.25		#3,062.25
Turtle Limited	Associates upto 30th Jan 2010								#1,133.44		
AND Designs India Limited	Associates with Effect from 21st Oct 2009			3.98	50.00	100.00					250.00
Capital Foods Exportts Pvt. Limited	Associates with Effect from 15th Feb 2010.										#4,500.00

Represents material related party transactions during the year. Transactions over Rs. 1,000 Lakhs have been considered as material.

Annexure XXV (Contd)

Related Party Transactions 2009 - 2010

(INR in Lakhs)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2010 (Including int. receivables)	Payables Balance Outstanding as at 31st March 2010	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Issue of Equity shares	Expenses & Reimbursement	Sale of Investment	Purchase of Asset	Investment in Equity/Pref. shares
Future Capital Holdings Limited	Associates									0.65	
Pantaloon Retail India Limited	Associates							5.47			
Pantaloon Industries Limited	Associates						#12,200.00				
Footmart Retail (India) Limited	Joint Venture Upto 25th Jan 2010			50.61	#1,400.00	#1,800.00			605.01		
Celio Future Fashion Limited	Joint Venture Upto 30th Jan 2010								#1,200.00		497.50
Holii Accessories Pvt. Ltd	Joint Venture with Effect From 2nd Nov 2009										75.00
Total		**0.00**	**0.00**	**61.99**	**3,100.00**	**2,100.00**	**12,200.00**	**5.98**	**11,405.70**	**0.65**	**8,684.75**

Represents material related party transactions during the year. Transactions over Rs. 1,000 Lakhs have been considered as material.

Annexure XXV (Contd)

Related Party Transactions 2008-09

(INR in Lakhs)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2009 (Including int. receivables)	Payables Balance Outstanding as at 31st March 2009	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Other Income, Rent	Issue of Equity shares	Expenses Reimbursed	Purchase of investment	Investment in Equity/Pref. shares
Indus Tree Crafts Pvt. Ltd.	Associates			11.35	350.00	350.00					657.59
Turtle Ltd.	Asssociates										#1,133.44
Future Capital Holdings Ltd.	Associates		0.07	46.41		#5,000.00			17.18		
Pantaloon Retail India Ltd.	Associates	140.00							5.60		
Pantaloon Industries ltd.	Associates			17.26	#1,500.00	#1,500.00					
And Designs India Ltd.	Associates			61.96	50.00						
Footmart Retail (India) Ltd.	Joint Venture	427.61			400.00						
Celio Future Fashion Ltd.	Joint Venture			5.27	250.00	250.00					702.50
Total		**567.61**	**0.07**	**142.25**	**2,550.00**	**7,100.00**	**0.00**	**0.00**	**22.78**	**0.00**	**2,493.53**

Represents material related party transactions during the year. Transactions over Rs. 1,000 Lakhs have been considered as material.

Annexure XXV (Contd)

Related Party Transactions 2007-08

(INR in Lakhs)

Related Parties	Nature of Relationship	Receivable Balance Outstanding as at 31st March 2008 (including int. receivable)	Payables Balance Outstanding as at 31st March 2008	Interest Income	Loan/Advances Given during the year	Amount Repaid during the year	Other Income, Rent	Issue of Equity shares	Expenses Reimbursed	Purchase of investment	Investment in Equity/Pref. shares
Lee Cooper (India) Pvt. Ltd.	Associates										#2405.00
Sankalp Retail Value Stores Pvt. Ltd.	Associates										#3,000.00
Future Capital Holdings Ltd.	Associates	#5,006.03		6.03	#5,000.00				11.66	#1,315.16	
Pantaloon Retail India Ltd.	Associates	140.00			140.00				6.67	605.01	
Future Capital Investment Pvt. ltd.	Associates							180.00			
Pantaloon Industries ltd.	Associates		#3605.00							#3,605.00	
Footmart Retail (India) Ltd.	Joint Venture										605.01
Total		**5,146.03**	**3,605.00**	**6.03**	**5,140.00**	**0.00**	**0.00**	**180.00**	**18.33**	**5,525.17**	**6,010.01**

Represents material related party transactions during the year. Transactions over Rs. 1,000 Lakhs have been considered as material.

Annexure XXVI

Provisions, Contingent Liabilities and Contingent Assets

(INR in Lakhs)

Movement in Provision for Doubtful Debts	**For the Years Ended**		
	March 31, 2010	**March 31, 2009**	**March 31, 2008**
Opening Balance	0.00	0.00	5.27
Add : Provision relating to subsidiaries acquired during the year	22.31	0.00	0.00
Add: Additional Provision created during the year	53.44	0.00	0.00
	75.75	**0.00**	**5.27**
Less: Provision written back	0.00	0.00	0.00
Less: Write-off out of provision	0.00	0.00	**5.27**
Closing Balance	**75.75**	**0.00**	**0.00**
Proportionate Share of JV	**56.00**	**0.00**	**0.00**

Contingent Liabilities:

(INR in Lakhs)

Particulars	**As at 31st March 2010**	**As at 31st March 2009**	**As at 31st March 2008**
Outstanding guarantees given by the bank	5.90	9.00	0.00
Proportionate Share of outstanding guarantees given by the bank on behalf of Joint Ventures	0.00	1.90	10.54
Proportionate Share of Other Contingent liabilities in subsidiaries and joint venture	733.86	5.71	0.00

Capital Commitments

The estimated value of contracts remaining to be executed on Capital Account to the extent not provided:-

(INR in Lakhs)

Particulars	**As at 31st March 2010**	**As at 31st March 2009**	**As at 31st March 2008**
Subsidiary	98.35	0.00	86.68
Share in Joint Venture	15.06	0.49	2.61

Annexure XXVII

Share Purchase Obligation

(INR in Lakhs)

Particulars	As at 31st March 2010	As at 31st March 2009	As at 31st March 2008
Share Purchase Obligation	0.00	13,860.00	13,860.00

Annexure XXVIII

Statement of Accounting and Other Ratios

Particulars	March 31, 2010	March 31, 2009	March 31, 2008
Restated Networth (Rs in Lakhs)	50,453.48	30,698.02	35,548.66
Restated Networth Excluding Revaluation Reserve (Rs. In lakhs)	50,427.77	30,698.02	35,548.66
Restated Net Profit/(Loss) after Tax	(2,127.05)	(5,529.24)	(436.50)
Adjusted Profit/(Loss) after Tax & share of Associates and minority interest (Rs. In Lakhs)	(1,068.01)	(5,350.64)	(850.45)
No. of Shares Outstanding at the End of Period/Year	576,243,700	368,843,700	363,843,700
Weighted Average Number of Shares Outstanding	399,436,577	367,295,755	86,427,177
Basic & Diluted Earnings per Share (Rs.)	(0.27)	(1.46)	(0.98)
Return on Net Worth (%)	(2.11)	(17.43)	(2.39)
Net Asset Value per Share (Rs.)	8.75	8.33	9.77
Book Value per Share (Rs)	8.75	8.33	9.77

The ratios have been computed as below:

Basic & Diluted Earnings per Share	=	Net Profit after tax & share of Associates and minority interest as restated, attributable to shareholders / Weighted average no. of equity shares outstanding during the year
Return on Net Worth (%)	=	Net Profit after tax & share of Associates and minority interest as restated / Net Worth excluding revaluation reserve as at the end of the year X 100
Net Assets Value per Equity Share	=	Net Worth (excluding revaluation reserve) as at the end of the year / No. of equity shares outstanding as at the end of the year
Book Value per Equity Share	=	Net Worth (including revaluation reserve)as at the end of the year / No. of equity shares outstanding as at the end of the year

Net Worth means Equity Share Capital + Reserves

The figures above are based on the restated financial statements of the Company

EPS has been calculated as per AS - 20

Annexure XXIX

Capitalization Statement

(INR in Lakhs)

Particulars	Pre- Issue as at March 31, 2010	Adjusted for Public Issue*
Borrowings		
Long Term Debt	10,955.78	
Short Term Debt	5,922.39	
Total Debt	16,878.17	
Shareholders' Funds		
Share Capital	57,624.37	
Reserves	370.08	
Less : Debit Balance in P&L	7,540.97	
Less: Miscellaneous Expenditure Written off	0.00	
Total Shareholders' Fund (Net Worth)	5,0453.48	
Long Term Debt/ Equity Share Capital	0.19	
Long Term Debt/ Shareholders' funds (Net Worth)	0.22	

* Will be updated at the time of prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2010, 2009 and 2008 including the schedules and notes thereto and the reports thereon, which appear in the section titled "Financial Statements" in this Draft Red Herring Prospectus. The financial statements presented and discussed in this Draft Red Herring Prospectus are based on Indian GAAP, which differs in certain significant respects from IFRS. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. Factors that may cause such a difference include, but are not limited to, those discussed in "Forward-Looking Statements" and "Risk Factors", beginning on pages x and xi, respectively.

Overview

The Company was incorporated on July 10, 1996 with the name Subhikshith Finance & Investments Limited ("Subhikshith"). Following its acquisition in July 2007 by Pantaloon Future Ventures Limited, a subsidiary of PRIL, the Company changed its name to Future Ventures India Private Limited. We are now a public limited company and are regulated by the RBI as a non-deposit taking Non-Banking Financial Company. Prior to the acquisition of the Company by PFVL, the Company was engaged in the business of granting loans and financing.

We intend to exercise operational control or influence in the Business Ventures that we promote or in which we acquire interests. We intend to create, operationally manage and strategically manage diverse business activities, primarily in "consumption-led" sectors in the country, 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. We will seek to actively assist our Business Ventures in their growth and development strategies and provide them with access to a wide range of resources within the Future Group. In this regard, our Consultant FCH provides us with consulting and advisory services and PRIL will provide us with mentoring capabilities.

Basis of Preparation of Financial Statements

We prepare our consolidated financial statements in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements ("AS–21"), Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements ("AS – 23"), and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures ("AS – 27") issued by the Institute of Chartered Accountants of India ("ICAI").

The financial statements of the Company and its subsidiary companies have been combined on a line – by – line basis by adding together book values of similar items such as assets, liabilities, income and expenses, after eliminating intra-group balances and transaction in accordance with AS – 21. Investments in associate companies have been accounted in accordance with the equity method as per AS – 23.

Interests in joint ventures have been accounted for in accordance with the proportionate consolidation method as per AS – 27. This standard is applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of the investing company. The investing company in its consolidated financial statements is required to report its interest in a joint venture using proportionate consolidation. The proportionate consolidation method under AS – 27 requires the investing company to include its share of assets and liabilities as well as income and expenses in the joint venture in its financial statements.

The excess or deficit cost to the Company of its investments over its portion of net worth in consolidated entities at respective dates on which such investments were made is recognized in the consolidated financial statements as goodwill or capital reserve. Any entity which has been acquired by the Company in a year is consolidated from the date of acquisition. See Annexure IV of our consolidated financial statements on page 202 for a list of companies we consolidate in our consolidated financial statements for Fiscal 2010, 2009, and 2008, as subsidiaries, associates or joint ventures.

Factors Affecting Our Results of Operations and Financial Condition

Economic Conditions in India

Our results of operations and financial condition have been and will continue to be influenced by macro-economic, market and other conditions and developments in India that affect the growth and performance of the Business Ventures in which we acquire interests. These factors include levels of, and growth rates in, GDP and per capita GDP as well as the rate of inflation. India's economy is expected to continue to grow during the next few years, contributing to higher disposable incomes, which we expect will fuel growth in the retail and consumption-led sectors. Indian economy may be adversely affected by changes in various macro-economic factors, including a general rise in interest rates, currency exchange rates, commodity and fuel prices and any adverse conditions which affect food and agricultural production and infrastructure. A slow down of the Indian economy may adversely affect its business, including its ability to implement its strategy.

Developments in consumption-led sectors in India

We will identify suitable business opportunities, including those in consumption-led sectors in India for which we intend to leverage the mentoring capabilities and expertise of the Future Group, especially our Promoter, PRIL. Our results of operations and financial condition will be affected by developments in the consumption-led sectors. Consumption patterns in India have changed dramatically in recent periods, mainly as a result of rising disposable incomes. As disposable incomes have increased, household spending has shifted from spending on necessities to discretionary spending. Indians are spending an increasing proportion of their income on household products, apparel, communications and health care. Although growth in disposable incomes has been the main driver of higher consumption, population growth and a decline in the number of joint family households are also expected to contribute to growth in consumption. As the consumption-led sectors grow, we expect that the number of companies engaged in activities in these sectors will increase, leading to more potential business opportunities for us. However, the increasing attractiveness of these sectors may lead to greater competition for attractive assets.

Regulation of consumption-led sectors in India

Since our activities will be focused on consumption-led sectors in India, changes in regulation affecting these sectors will affect our results of operations and financial condition. Some industries within the Indian consumption-led sectors are regulated and the Foreign Investment Promotion Board (the "FIPB") imposes restrictions on foreign direct investment in such sectors. As a result of restrictions on foreign investment, we believe that assets in the consumption-led sectors are potentially undervalued. The FIPB has, however, begun to ease certain restrictions on foreign direct investment in these sectors, and we expect the restrictions may be further relaxed over time. While this could result in greater demand and higher valuations for our Business Ventures, it could also increase competition for attractive business opportunities. In addition, competition in consumption-led sectors is likely to increase. On the other hand, the expansion of organized retailing in India could also lead to an increase in consumption, which would benefit us as our business opportunities increase and our existing Business Ventures increase in value.

Market Conditions

Our income from operations consists principally of dividend income. Our income from operations may also include interest income and gains on the sale of Business Ventures. These sources of income will be affected by market factors, including the strength and liquidity of Indian and global capital markets, market volatility, trends in investor asset allocation and movements in interest rates.

We will pursue appropriate longer-term value creation strategies. We may seek to achieve this by unlocking value in our Business Ventures through public market or private sales after taking into account factors such as the stage of development of the relevant Business Venture and general market conditions. The strength of India's capital markets generally, and the primary market specifically, will affect our ability to profitably unlock value in our Business Ventures.

Movements in interest rates may also affect our results of operations. Our fixed-income instruments may be exposed to risks associated with changes in interest rates. General interest rate fluctuations may have a negative impact on our Business Ventures and the rate of return on invested capital. In particular, any decrease in interest rates could make fixed-income instruments less attractive to us. In addition, increasing interest rates will subject us to prepayment risk and may also result in reduced consumption and increased savings.

Critical Accounting Policies

The financial statements presented herein were prepared in accordance with the historical cost convention and applicable mandatory accounting standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act and guidelines issued by the RBI for NBFCs from time to time.

The preparation of our financial statements in conformity with Indian GAAP requires us 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 reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate and re-evaluate our estimates, which are based on available information, industry standards, economic conditions and various other assumptions. The results of these evaluations and re-evaluations form the basis for our judgments about the carrying values of our assets and liabilities and the reported amounts of our revenues and expenses. Actual results may differ from these estimates and these estimates could differ under different assumptions. Certain critical accounting policies that are relevant to our business and operations are described below. For a description of our significant accounting policies, see Annexure IV of our audited consolidated financial statements on page 202.

Revenue Recognition

Where transactions take place outside the public markets, the transactions are recorded as of the date on which the Company obtains an enforceable obligation to pay the price or an enforceable right to collect the proceeds of sale. The cost of investments acquired or purchased includes brokerage, stamp charges and any charges or duties directly related to the acquisition of investment.

Advisory fees payable for advisory services is recognised at specific rates and in accordance with agreed terms.

Dividend income is recognized when right to receive the same is established. Interest income from financing activities is recognised at the rates implicit in the contract. Unrealised interest income relating to non-performing assets is derecognised.

Realized gain or loss on investments is recorded in the income statement on the date of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived using the "first in first out" basis.

The transactions for purchase or sale of publicly traded assets are recognized as of the trade date and not as of the settlement date in order to ensure that the effect of all assets traded during the financial year are recorded in the financial statements for that year.

Investments

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the balance sheet of the unlisted investee company is not available for two years, shares in such companies are valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting) Companies. Trading investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as equity, preference, debentures etc and considered scrip-wise and the cost and market value aggregated for all investments in each category.

Fixed Assets

Fixed Assets are stated at cost less depreciation and cost includes all direct expenses relating to the acquisition and installation of fixed assets. Depreciation is provided on straight line basis at the rates prescribed under Schedule XIV to the Companies Act.

Provisions

A provision is recognized when our Company has a present obligation as a result of past event. 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 its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. We review and adjust these at each balance sheet date to reflect the current best estimates.

These and other accounting policies are further described in the notes to the financial statements in this Draft Red Herring Prospectus. Additionally, as an NBFC we are and will continue to be subject to the RBI's prudential norms for NBFCs, which are discussed under "RBI Norms applicable to NBFCs".

Revised Accounting Standards for Financial Instruments

Indian accounting standards relating to the recognition and measurement (and related disclosure) of financial instruments changed for accounting periods commencing on or after April 1, 2009 and will be mandatorily applicable for Indian companies from April 1, 2011. Under the revised standards, financial instruments are classified into financial assets and liabilities at fair value through profit or loss (to be recorded immediately in the profit and loss account), held to maturity investments (to be recorded at amortized cost), loans and receivables (to be recorded at discounted present values using effective interest rates) and available for sale financial assets (to be marked to market). As a result of these revised standards, we will be required to reclassify our investments, which we presently divide into current and long-term investments. The revised recognition standards are likely to have a significant impact on the methods by which we record our investments and the value of those investments. This could in turn have a significant impact on our financial results. However, we are not yet in a position to quantify any such potential impact.

Results of Operations

The following table sets forth select financial data from the Company's profit and loss account, for Fiscal 2010, 2009 and 2008 the components of which are also expressed as a percentage of income for such periods:

(*In Rs. lakhs*)

Particulars	Fiscal 2010	% of Total Income	Fiscal 2009	% of Total Income	Fiscal 2008	% of Total Income
Income:						
Sale of retail merchandise	12,389.36	69.64	12,017.91	91.99	5.50	1.07
Income from investing activity	733.36	4.12	1,004.72	7.69	507.54	98.46
Profit/(Loss) on trading securities	(318.49)	(1.79)	(1,408.38)	(10.78)	-	-
Other operating income	256.81	1.44	263.59	2.02	-	-
Interest on deposits	8.69	0.05	92.43	0.71	0.64	0.12
Other income	2,297.73	12.91	4.39	0.03	1.73	0.34
Profit on sale of assets	-	-	0.63	0.00	0.06	0.01
Proportionate share in joint ventures	2,423.82	13.62	1,089.18	8.34	-	-
Total Income	**17,791.28**	100.00	**13,064.47**	100.00	**515.47**	100.00
Expenditure:						
Cost of goods sold (including increases/decreases in inventory)	12,417.64	69.80	12,523.05	95.86	6.41	1.24

Particulars	Fiscal 2010	% of Total Income	Fiscal 2009	% of Total Income	Fiscal 2008	% of Total Income
Employee costs	2,408.57	13.54	2,037.88	15.60	81.85	15.88
Administrative and other expenses	3,028.11	17.02	2,698.85	20.66	820.79	159.23
Interest and financing charges	1,042.29	5.86	220.06	1.68	12.84	2.49
Depreciation	862.33	4.85	700.35	5.36	3.27	0.63
Less: Transfer from revaluation reserve	(0.13)	0.00	-	-	-	-
Preliminary expenses written off	0.03	0.00	-	-	-	-
Total Expenditure	**19,758.84**	111.06	**18,180.19**	139.16	**925.16**	179.48
Profit/ (Loss) before Prior Period items	(1,967.56)	(11.06)	(5,115.72)	(39.15)	(409.69)	(79.48)
Add/(Less):Proportionate share of prior period items in a Joint Venture Expenses relating to earlier years	0.00	-	(31.55)	0.24	0.00	-
Net Profit/(Loss) before tax	**(1,967.56)**	(11.06)	**(5,147.27)**	(39.40)	**(409.69)**	(79.48)
Taxation:						
Income tax	425.13	2.39	-	-	25.03	4.86
Deferred tax	(265.79)	1.49	378.15	2.89	1.24	0.24
Fringe benefit tax	-	-	33.89	0.26	0.54	0.10
Proportionate share in joint ventures	0.15	0.00	1.48	0.01	-	-
Provision for income tax relating to earlier years	7.07	0.03	0.00	-	0.00	-
Net Profit/ (Loss) before Adjustments	**(2,134.12)**	**(11.99)**	**(5,560.79)**	**(42.56)**	**(436.50)**	**(84.68)**
[Add/(Less)] Adjustments:						
Expenses relating to earlier years	0.00	-	31.55	0.24	0.00	-
Provision for Income Tax relating to earlier years	7.07	0.03	0.00	-	0.00	-
Net Profit/(Loss) after Tax	**(2,127.05)**	(11.96)	**(5,529.24)**	(42.32)	**(436.50)**	(84.68)

Income

Our total income primarily consists of income from sale of retail merchandise by our subsidiaries, income from investing activities, including gains or losses from trading of securities, interest on deposits, other operating income, other income and our proportionate share of income in our joint ventures. Income from sale of retail merchandise primarily consists of income from sales of retail products by our subsidiaries. Income from investing activity primarily consists of interest income and dividend income and gains or losses from trading securities. Our other operating income primarily consists of 'shop in shop' rental income and display income from third party advertisers earned by our subsidiary Aadhar Retailing Limited and also includes fees for consultancy services for mall development earned by our erstwhile subsidiary Star Shopping Centres Private Limited. We exited from our investment in Star Shopping Centres Private on July 26, 2010. Our other income primarily consists of income which is typically non-recurring in nature. For example, in Fiscal 2010, our other income primarily consisted of gains from disposal of our interest in associates and joint ventures.

Expenditure

Our total expenditure consists of costs of goods sold by our subsidiaries, employee costs, operating and other expenses, interest and financing charges and depreciation.

Cost of goods sold

Our cost of goods sold primarily includes costs in relation to purchases of raw materials by our subsidiaries and other costs which include freight and forwarding charges and labour charges. Our cost of goods sold accounted for 69.80%, 95.86%, and 1.24% of our total income for Fiscal 2010, 2009 and 2008, respectively.

Employee costs

Our employee cost include salaries and bonuses to our employees, contributions to provident funds and other funds as well as staff welfare expenses and also includes our proportionate share of costs in our joint ventures. Our staff costs accounted for 13.54%, 15.60%, and 15.88% of our total income for Fiscal 2010, 2009 and 2008, respectively

Administrative and Other expenses

Our administrative and other expenses primarily include expenses towards payment of rent, power, water and fuel, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges and our proportionate share of such costs in our joint ventures. Our administrative and other expenses accounted for 17.02%, 20.66%, and 159.23% of our total income for Fiscal 2010, 2009 and 2008, respectively.

Interest and financing charges

Our interest and financing primarily consists of interest on working capital loans, fixed loans and term loans and our proportionate share of such expenses in our joint ventures. Our interest and financing charges accounted for 5.86%, 1.68%, and 2.49% of our total income for Fiscal 2010, 2009 and 2008, respectively.

Depreciation

Depreciation expenses primarily consists of depreciation our fixed assets. Depreciation also includes amortisation of intangible assets such as trademarks, brands and entry and licence fees. Depreciation accounted for 4.85%, 5.36%, and 0.63% of our total income for Fiscal 2010, 2009 and 2008, respectively.

Provision for taxation

We provide for income tax as well as deferred tax. We provided for fringe benefit taxes in Fiscal 2009 and Fiscal 2008. Provision for taxation accounted for 0.94%, 3.17% and 5.20% of our total income for Fiscal 2010, 2009 and 2008 respectively.

Fiscal 2010 Compared to Fiscal 2009

Income. Our total income increased by 36.18% to Rs. 17,791.28 lakhs in Fiscal 2010 from Rs. 13,064.47 lakhs in Fiscal 2009 primarily due to an increase in other income, our proportionate share in our joint ventures, sale of retail merchandise by our subsidiaries, as well as a decrease in losses in trading securities.

Our other income increased by 52,240% to Rs. 2,297.73 lakhs in Fiscal 2010 from Rs. 4.39 lakhs in Fiscal 2009 primarily due to a gain of Rs. 1,321.18 lakhs on exit from our investment in our associate Sankalp Retail Value Stores Private Limited and a gain of Rs. 882.95 lakhs on exit from our investment in our joint venture Footmart Retail (India) Limited.

Our income from proportionate share in joint ventures increased by 122.54% to Rs. 2,423.82 lakhs in Fiscal 2010 from Rs. 1,089.18 lakhs in Fiscal 2009 primarily due to an increase in revenues of our joint venture company being Footmart Retail (India) Limited and Celio Future Fashions Limited.

Our income from sale of retail merchandise increased by 3.09% to Rs. 12,389.36 lakhs in Fiscal 2010 from Rs. 12,017.91 lakhs in Fiscal 2009 primarily due to an increase in retail sales by our subsidiaries.

Our income from investing activity decreased by 27.01% to Rs. 733.36 lakhs in Fiscal 2010 from Rs. 1,004.72 lakhs in Fiscal 2009 primarily due to a decrease of dividend income to Rs. 46.69 lakhs in Fiscal 2010 from Rs. 241.67 lakhs in Fiscal 2009 due to disinvestments in shares and units of mutual funds and decrease in interest income from other investments to Rs. 674.14 lakhs in Fiscal 2010 from Rs. 754.69 lakhs in Fiscal 2009.

Expenditure. Our total expenditure increased by 8.68% to Rs. 19,758.84 lakhs in Fiscal 2010 from Rs. 18,180.19 lakhs in Fiscal 2009 primarily due to an increase in interest and financing charges, depreciation, employee costs, and increases in administrative and other expenses.

Our expenditure towards interest and financing charges increased by 373.64% to Rs. 1,042.29 lakhs in Fiscal 2010 from Rs. 220.06 lakhs in Fiscal 2009 primarily due to an increase in borrowings of working capital as well as term loans.

Our depreciation expenses increased by 23.13% to Rs. 862.33 lakhs in Fiscal 2010 from Rs. 700.36 lakhs in Fiscal 2009 primarily due to our investments made during Fiscal 2010.

Our employee costs increased by 18.19% to Rs. 2,408.57 lakhs in Fiscal 2010 from Rs. 2,037.88 lakhs in Fiscal 2009 primarily due to increase in salary increments and an increase in our proportionate share in our subsidiaries and joint ventures.

Our administrative and other expenses increased by 12.20% to Rs. 3,028.11 lakhs in Fiscal 2010 from Rs. 2,698.84 lakhs in Fiscal 2009 primarily due to increases in rent payments and advertisement, publicity and selling expenses. Our rent payments increased to Rs. 797.78 lakhs in Fiscal 2010 from Rs. 554.45 lakhs in Fiscal 2009. Our advertisement, publicity and selling expenses increased to Rs. 484.86 lakhs in Fiscal 2010 from Rs. 291.80 lakhs in Fiscal 2009. Our administrative and other expenses also increased due to payments of commission and brokerage of Rs. 225.77 lakhs in Fiscal 2010.

Provision for taxation. Provision for taxation decreased by 59.72% to Rs. 166.56 lakhs in Fiscal 2010 from Rs. 413.52 lakhs in Fiscal 2009 primarily due to utilisation of tax shelter on account of earlier losses, increase in income from capital gains and deferred taxes. Provision for income tax was Rs. 425.13 lakhs. Provision for deferred tax decreased by 170.29% to Rs. (265.79) lakhs in Fiscal 2010 from Rs. 378.15 lakhs in Fiscal 2009 primarily due to losses and unabsorbed depreciation.

Net Profit/(Loss) after Tax. As a result of the foregoing, our net losses decreased by 61.53% to Rs. (2,127.05) lakhs in Fiscal 2010 from Rs. (5,529.24) lakhs in Fiscal 2009.

Fiscal 2009 Compared to Fiscal 2008

Income. Our total income increased to Rs. 13,064.47 lakhs in Fiscal 2009 from Rs. 515.47 lakhs in Fiscal 2008 primarily due to an increase in income from sale of retail merchandise, income from proportionate share in joint ventures and an increase in income from interest on deposits.

Our income from sale of retail merchandise increased to Rs. 12,017.91 lakhs in Fiscal 2009 from Rs. 5.50 lakhs in Fiscal 2008 primarily due to our investments in various Business Ventures, namely Aadhar Retailing Limited, Lee Cooper (India) Private Limited, Industree Craft Private Limited and Turtle Limited.

Our income from proportionate share in joint ventures was Rs. 1,089.18 lakhs in Fiscal 2009 on account of our investment in Footmart Retail India Limited and Celio Future Fashion Limited. We did not have any joint ventures in Fiscal 2008.

Our income from interest on deposits increased to Rs. 92.43 lakhs in Fiscal 2009 from Rs. 0.64 lakhs in Fiscal 2009 primarily due to interest income on our fixed deposits.

Our income from investing activity increased by 97.96% to Rs. 1,004.72 lakhs in Fiscal 2009 from Rs. 507.54 lakhs in Fiscal 2009 primarily due to increase in interest income from other investments. Our interest income from other investments increased to Rs. 754.69 lakhs in Fiscal 2009 from 89.43 lakhs in Fiscal 2008.

Expenditure. Our total expenditure increased to Rs. 18, 180.19 lakhs in Fiscal 2009 from Rs. 925.16 lakhs in Fiscal 2008 primarily due to our investments in the following Business Ventures, namely, Aadhaar Retailing Limited, Lee Cooper (India) Limited, Industree Craft Private Limited, Turtle Limited, Footmart Retail India Limited and Celio Future Fashion Limited. Our total expenditure increased on account of an increase in cost of goods sold, employee costs, operating and other expenses, interest and financing charges and depreciation as set forth below:

Our expenditure towards cost of goods sold increased to Rs. 12,523.05 lakhs in Fiscal 2009 from Rs. 6.41 lakhs in Fiscal 2008.

Our employee costs increased to Rs. 2,037.88 lakhs in Fiscal 2009 from Rs. 81.85 lakhs in Fiscal 2008.

Our administrative and other expenses increased to Rs. 2,698.84 lakhs in Fiscal 2009 from Rs. 820.79 lakhs in Fiscal 2008.

Our expenditure towards interest and financing charges increased to Rs. 220.06 lakhs in Fiscal 2009 from Rs. 12.84 lakhs in Fiscal 2008.

Our depreciation expenses increased to Rs. 700.36 lakhs in Fiscal 2009 from Rs. 3.27 lakhs in Fiscal 2008.

Provision for taxation. Provision for taxation increased to Rs. 413.52 lakhs in Fiscal 2009 from Rs. 26.81 lakhs in Fiscal 2008 primarily due to an increase in deferred tax liability. We did not have any provision for income tax in Fiscal 2009 as compared to an income tax provision of Rs. 25.03 lakhs in Fiscal 2008. Provision for deferred tax increased to Rs. 378.15 lakhs in Fiscal 2009 from Rs. 1.24 lakhs in Fiscal 2008 primarily due to depreciation of Business Ventures invested in Fiscal 2008.

Net Profit/(Loss) after Tax. As a result of the foregoing, our net losses increased to Rs. (5,529.24) lakhs in Fiscal 2009 from Rs. (436.50) lakhs in Fiscal 2008.

Liquidity and Capital Resources

Our liquidity primarily depends on cash distributions that are made to us by Business Ventures. We receive cash from time to time from our Business Ventures. This cash is usually in the form of dividend payments. We may also expect to receive interest payments on securities or cash consideration received in connection with unlocking of value in our Business Ventures. Other than amounts that are used to pay expenses or that are distributed to shareholders, any returns generated by our Business Ventures will be reinvested in accordance with our business policies and procedures, which we believe will assist us in growing our asset base. We do not intend paying dividends on our Equity Shares.

Cash Flow Data

The following table presents the Company’s cash flows for Fiscal 2010, 2009 and 2008:

(*In Rs. lakhs*)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Net cash from/(used in) operating activities	(7,425.36)	(1,383.55)	(7,020.91)
Net cash from/(used in) investing activities	(9,009.32)	1,299.77	(34,665.51)
Net cash from/(used in) financing activities	16,538.99	971.20	42,051.58
Net increase/(decrease) in cash and cash equivalents	104.31	887.42	365.16

Operating Activities

Net cash used in operating activities was Rs. 7,425.36 lakhs in Fiscal 2010. Net cash used in operating activities consisted of net profit/(loss) before tax of Rs. (1,967.56) lakhs, as adjusted for interest and financial charges of Rs. 865.73 lakhs, interest income of Rs. 692.14 lakhs, dividend income of Rs. 46.69 lakhs and a number of non-cash items including depreciation of Rs. 862.20 lakhs, gain on disposal of associates of Rs. 1,321.18 lakhs, gain on disposal of joint ventures of Rs. 852.19 lakhs, loss on sale of investments of Rs. 318.49 lakhs, loss on sale of assets (net) of Rs. 49.44 lakhs and provision for doubtful loans and advances of Rs. 53.45 lakhs. Changes in working capital primarily consists of decrease in inventory of Rs. 1,663.21 lakhs, increase in trade and other receivables of Rs. 4,742.06 lakhs and decrease in current liabilities and provisions of Rs. 1,817.84 lakhs.

Net cash used in operating activities was Rs. 1,383.55 lakhs in Fiscal 2009. Net cash used in operating activities consisted of net profit/(loss) before tax of Rs. (5,147.27) lakhs, as adjusted for interest and financial charges of Rs. 220.06 lakhs, interest income of Rs. 855.48 lakhs, dividend income of Rs. 241.67 lakhs and a number of non-cash items including depreciation of Rs. 700.35 lakhs, loss on sale of investments of Rs. 1,408.38 lakhs and profit on sale of assets (net) of Rs. 0.63 lakhs. Changes in working capital primarily consists of increase in inventory of Rs. 1358.11 lakhs, decrease in trade and other receivables of Rs. 8,196.00 lakhs and decrease in current liabilities and provisions of Rs. 5,174.58 lakhs.

Net cash used in operating activities was Rs. 7,020.91 lakhs in Fiscal 2008. Net cash used in operating activities consisted of net profit/(loss) before tax of Rs. (409.69) lakhs, as adjusted for interest and financial charges of Rs. 12.85 lakhs, interest income of Rs. 216.62 lakhs, dividend income of Rs. 271.68 lakhs, and certain non-cash items including depreciation of Rs. 3.27 lakhs, profit on sale of assets of Rs. 0.06 lakhs and profit on sale of investments of Rs. 19.88 lakhs. Changes in working capital primarily consists of increase in inventory of Rs. 2,510.17 lakhs, increase in trade and other receivables of Rs. 13,383.58 lakhs and increase in current liabilities and provisions of Rs. 9,480.48 lakhs.

Investing Activities

Our net cash (used in)/from investment activities in Fiscal 2010, 2009 and 2008 was Rs. (9,009.32) lakhs, Rs. 1,299.77 lakhs and Rs. (34,665.51) lakhs respectively.

In Fiscal 2010, our net cash used in investing activities primarily included purchase of fixed assets of Rs. 3,066.44 lakhs and purchase of investment of Rs. 23,172.81 lakhs.

In Fiscal 2009, our net cash generated from investing activities primarily included purchase of fixed assets of Rs.1,040.80 lakhs and purchase of investment of Rs. 27,694.15 lakhs and redemption of investment of Rs. 30,032.73 lakhs.

In Fiscal 2008, our net cash used in investing activities primarily included purchase of fixed assets of Rs. 7,403.76 lakhs and purchase of investment of Rs. 71,270.43 lakhs.

Financing Activities

Our net cash generated from financing activities in Fiscal 2010, 2009 and 2008 was Rs. 16,538.99 lakhs, Rs. 971.20 lakhs and Rs. 42,051.58 lakhs respectively.

In Fiscal 2010, our net cash generated from financing activities primarily included Rs. 20,740.00 lakhs as proceeds from issue of equity shares, which was offset by repayment of borrowings of Rs. 3,335.28 lakhs and financial charges of Rs. 865.73 lakhs.

In Fiscal 2009, our net cash generated from financing activities primarily included Rs. 825.00 lakhs as proceeds from share application money and Rs. 500.00 lakhs as proceeds from issue of equity shares, which was offset by interest paid of Rs. 220.06 lakhs and repayment of borrowings of Rs. 133.74 lakhs.

In Fiscal 2008, our net cash generated from financing activities primarily included proceeds from borrowings of Rs. 5,709.43 lakhs and Rs. 36,355.00 lakhs as proceeds from issue of equity shares, which was offset by interest paid of Rs. 12.85 lakhs.

Indebtedness

The Company does not have any indebtedness on an unconsolidated basis. The following table sets forth the Company's secured and unsecured debt position as at March 31, 2010 on a consolidated basis.

(*In Rs. lakhs*)

Particulars	Amount outstanding as at March 31, 2010
Secured loans:	
Cash credit facilities	8,520.56
Working capital demand loan	1,479.81
Finance lease	23.82
Term loans	1,327.33
Total (A)	**11,351.52**
Unsecured loans:	
Inter-corporate deposits	5,451.12
Other loans	75.53
Total (B)	**5,526.65**
Total (A +B)	**16,878.17**

Contingent Liabilities

The following table sets forth our contingent liabilities on a consolidated basis as at March 31, 2010:

(*In Rs. lakhs*)

Particulars	Amount
Outstanding guarantees given by the bank in subsidiary	5.90
Proportionate share of other contingent liabilities in joint venture	12.59
Other contingent liabilities in subsidiaries	721.27

Off-Balance Sheet Arrangements

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purposes of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Related Party Transactions

We have entered and may in the future continue to enter into transactions of a material nature with certain of our promoters, and Directors and entities controlled by such persons that may have a potential conflict of interest with our interests. Such related party transactions include and will continue to include will include asset purchases from Future Group entities, payment of service and incentive fees to our consultant and mentor, administrative payments, etc. We intend that all our related party transactions will be in the normal course of business and conducted on an arm's length commercial basis, in compliance with applicable laws.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to securities market risks and interest rate risks in the normal course of our business.

Securities Market Risks

We may participate in companies whose securities are publicly traded. The market prices and values of publicly traded securities of companies in which we have participated may be volatile and are likely to fluctuate due to a number of factors beyond our control, including the illiquidity of some such securities compared to other publicly traded securities, actual or anticipated fluctuations in the quarterly and annual results of our and other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. Changes in the values of these assets could lead to significant changes in our operating results.

Interest Rate Risks

We and the companies in which we acquire interests may incur indebtedness which will result in exposure to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive to obtain debt financing, could negatively impact the value of our Business Ventures and could decrease the returns that Business Venture generates. We believe that we will be subject to risks associated with changes in prevailing interest rates due to the fact that we may deploy our capital in companies whose capital structures may have a significant degree of indebtedness. Participation in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with participation in a leveraged company is generally greater than for companies with comparatively less debt.

Unusual or Infrequent Events or Transactions

Except as discussed above, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent."

Significant Economic Changes

Except as discussed above, to our knowledge there are no known factors which will have a material adverse impact on our operations and profitability.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in "Factors Affecting our Results of Operations and Financial Condition" and the uncertainties described in the section titled "Risk Factors" beginning on page xi. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations

Future Relationship between Costs and Income

Except as described above and in the section titled "Risk Factors" beginning on page xi, there are to our knowledge no known factors which would have a material adverse impact on the relationship between costs and income of our Company.

Competitive Conditions

For details of competitive conditions we face, see sections titled "Risk Factors" and "Business" beginning on pages xi and 68 respectively.

Seasonality

Our business is not seasonal. However, there could be variations in our quarterly income and profit after tax because of various factors, including those set forth above under "Factors Affecting our Results of Operations and Financial Condition" and those described in the section titled "Risk Factors" beginning on page xi.

Material Developments after March 31, 2010

The Company issued and allotted 10,00,00,000 Equity Shares at par aggregating to Rs. 10,000.00 lakhs to Future Capital Investment Limited, a Promoter on May 29, 2010. The Company also issued and allotted 15,00,00,000 Equity Shares at par aggregating to Rs. 15,000.00 lakhs to Pantaloon Retail (India) Limited, a Promoter on August 6, 2010.

The Company sold its stake in its subsidiary Star Shopping Centres Private Limited to Future Realtors (India)

Private Limited for an amount aggregating to Rs. 300.00 lakhs on July 26, 2010.

The Company has acquired 90% stake in Future Consumer Products Limited from PRIL on July 6, 2010.

The Company has acquired 100% stake in Future Consumer Enterprises Limited from PRIL on August 2, 2010. Subsequently, Future Consumer Enterprises Limited issued 100,00,000 equity shares to the Company on August 6, 2010.

The Company has pledged 70,00,000 equity shares held in Aadhaar Retailing Limited in favour of Future Capital Holdings Limited to secure repayment of loan of Rs. 1,900.00 lakhs granted by Future Capital Holdings Limited to Aadhaar Retailing Limited.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against the Company, Directors, Promoters and the Promoter Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/ financial institutions/ small scale undertaking(s), defaults against banks/ financial institutions/ small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, the Promoters or the Directors.

Cases filed against the Company

Nil

Cases filed by the Company

Nil

Cases involving the Subsidiaries

A. Aadhaar Retailing Limited

Criminal Cases

Cases filed against Aadhaar Retailing Limited

1. A case has been filed in 2008 by before the Judicial Magistrate's Court, Jallandhar by Government Food Inspector, Jalandhar against Gurpreet Singh Sazid Ali Quadri, Godrej Aadhaar Agrovet Limited and Managing Director of Godrej Aadhaar Agrovet Limited (the "Respondents") on grounds arising from the failure of the Respondents to produce a license for the sale of 100 packets of one of their products "Aadhaar Massor Daal" as required under Rule 50 of Prevention of Food Adulteration Rules, 1955 and the failure to mention the complete address of manufacturer on label. The court granted bail to the accused. The matter is currently pending.

2. A case has been filed in 2008 by the Chief Health Officer before the Chief Judicial Magistrate, Karnal, against Pawan Kumar and Mohinder Singh (in their capacity of being the in-charges of a store in Jundla) on grounds arising from failure to print the green colour symbol on the samples of certain products, rajma white, chana dal and kashmiri chill and upon the failure of these samples to meet the prescribed standard. The court granted bail to Pawan Kumar and Mohinder Singh. The matter is currently pending.

3. A criminal complaint has been filed in 2009 by the Local Health Authority, Haryana before Chief Judicial Magistrate, Hisar, against Sanjay Khanna, (center in charge) and Aadhaar Retailing Limited for violation of the Prevention of Food Adulteration Rules, 1955. On December 17, 2008 the inspectors took a sample of 'President Dhania and Lal Mirch' from a shop in Hansi and after analysis of the samples found them not to meet the prescribed standard under Prevention of Food Adulteration Rules, 1955. The manufacturer of the sample is Shri Banke Bihari Spices Private

Limited. The samples were tested again in Central Laboratory and yet again failed to meet the prescribed standards. The Department has to produce evidence. The matter is currently pending.

4. A case has been filed in 2009 by the State of Punjab before the Judicial Magistrate, (1st class), Amritsar against Vivek Rathi (store manager) for violation of Section 16 of the Prevention of Food Adulteration Rules, 1955. On January 10, 2009 the inspectors took a sample of ghee supplied by Big Bazar from a shop in Ajnala and after analysis of the sample failed to meet the prescribed standard. Vivek Rathi left the organization in August, 2009. It has been prayed that the ghee sold is misbranded as it does not have the complete address of manufacturer. The new store manager appeared before the forum and bail was granted The matter is currently pending.

5. A case has been filed in 2008 by the Health Authority before the Chief Judicial Magistrate, Sirsa against Manikchand (store manager) for violation of the Prevention of Food Adulteration Rules, 1955. On May 27, 2008 the inspectors took a sample of parimal basmati rice from a shop in Raina and after analysis of the sample failed to meet the standard prescribed under Prevention of Food Adulteration Act. Manikchand appeared before the forum and bail was granted. Manikchand has left the organization in December, 2009 and the said store has been closed in the area. The matter is currently pending.

6. A criminal complaint has been filed in 2010 by the Local Health Authority, Haryana before Chief Judicial Magistrate, Hisar, against Neeraj Chhabra and Aadhaar Shopping Mall for violation of Rule 32 of Prevention of Food Adulteration Rules 1955. On March 2, 2010 the inspectors took a sample of 'Godrej Aadhaar Haldi ' powder from a shop in Yamuna Nagar and allegedly found the product to be misbranded as it did not bear the batch number. The matter is currently pending.

7. A criminal complaint has been filed in 2010 by the Local Health Authority, Haryana before Chief Judicial Magistrate, Punjab against Arvind Chaudhary and Aadhaar Retailing Limited for violation of Rule 32 of Prevention of Food Adulteration Rules 1955. On July 10, 2009 the inspectors took a sample of 'Rasoi Brand Masala bearing Kalonji' from a shop in Ajnala, Punjab and allegedly found the product to be misbranded as it did not bear the batch number or the name of the manufacturer. The matter is currently pending.

Civil Proceedings

Cases filed against Aadhaar Retailing Limited

1. A civil suit has been filed in 2009 by Jaycee Fertilisers before the Court of Civil Judge (Senior Division), Amritsar against Aadhaar Retailing Limited (in Mumbai and Ajnala respectively) and Godrej Limited (the Defendants") alleging that the Defendants have not paid for the fertilisers delivered to them. The amount involved in the matter is Rs. 8.00 Lakhs. The matter is currently pending.

2. A civil suit has been filed in 2009 at Sirsa by Laxmi Narayan, Atam Prakash and Manoj Kumar (the "Plaintiffs") before the Court of Civil Judge (Senior Division),) against Godrej Limited and Aadhaar Retailing Limited (the "Defendants"). The Plaintiffs are claiming outstanding rental dues from Godrej Agrovet Limited. The amount involved in the matter is Rs. 2.00 Lakhs towards rental dues from Godrej Limited. No relief has been claimed against Aadhaar Retailing Limited. The matter is currently pending.

3. A case has been filed in 2009 by Arjun Singh before the Civil Judge (Senior Division), Sirsa against Godrej Agrovet Limited and Aadhaar Retailing Limited seeking recovery of Rs. 0.82 Lakhs as arrears of rent along with interest accruing from May 1, 2009. The matter is currently pending.

4. A case under section 11 of the Arbitration and Conciliation Act has been filed by Tejpal, Naresh Pawan Kumar and Laj Rani (the "Petitioners") before the Punjab and Haryana High Court against

Godrej Agrovet Limited and Aadhaar Retailing Limited (the "Respondents") seeking the appointment of arbitrator on grounds arising from the Respondents' decision to shut their retail outlet managed by the Petitioners. The Petitioners contend that the notice of Respondent for the termination of the Agreement amount to breach of contract. The matter is currently pending.

5. A complaint has been filed in 2010 by Nathuram Raheja (the "Complainant") before the Additional Civil Judge Senior Division, Hisar against Aadhaar Retailing Limited and Godrej Agrovet Limited on grounds arising from termination of tenancy during the lock-in period. The Complainant seeks rent and compensation till the lock-in period. The Complainant has sought leave of the court to determine compensation. The matter is currently pending.

Consumer Cases

Cases filed against Aadhaar Retailing Limited

1. A complaint has been filed in 2010 by Balwir Singh before the District Consumer Redressal Forum, Sirsa against Aadhaar Retailing Limited and Merridon Mobile Private Limited on grounds arising from the purchase of a bad quality mobile handset due to which he suffered losses. The amount involved in the matter is Rs. 0.50 Lakhs. The matter is currently pending.

Cases filed by Aadhaar Retailing Limited

1. A complaint has been filed in 2009 by Aadhaar Retailing Limited before the State Commission, Chandigarh, against Jaswinder Singh on grounds of being aggrieved by an order dated December 29, 2008. The District Commission passed an *ex-parte* order directing Aadhaar to pay Rs. 0.80 Lakhs. Pursuant to the order an amount was paid under protest. The amount involved is Rs. 0.80 Lakhs. The matter is currently pending.

Labour Case

Cases filed against Aadhaar Retailing Limited

1. A complaint has been filed in 2009 by the Labour Inspector, before the Labour Court, Sonepat against Aadhaar Retailing Limited alleging that the payment of salaries is less than the prescribed minimum wages and the working hours are more than hours prescribed. The amount involved in the matter is Rs. 21.52 Lakhs. The matter is currently pending.

B. Indus-League Clothing Limited

Cases filed against Indus-League Clothing Limited

Civil Proceedings

1. A civil suit has been filed by Kalanjali Arts and Crafts in 2007 before the Court of 1st Senior Civil Judge, City Civil Court, Hyderabad against Indus-League Clothing Limited. The plaintiff has made a claim of Rs. 0.70 Lakhs and interest of Rs. 0.50 Lakhs against return of goods/promotional items of Indus-League Clothing Limited, for which the Indus-League Clothing Limited denies having received such return of goods / promotional items. The matter is currently pending.

Cases filed by Indus-League Clothing Limited

1. A civil suit has been filed in 2006 by Indus Clothing Limited (the "Plaintiff") against Indus League Clothing Limited and Lee Cooper International Limited, (the "Defendants") before the Delhi High Court seeking grant of permanent injunction restraining Indus-League Clothing Limited from using the mark "Indus Clothing Limited". The Plaintiff prays that (i) Lee Cooper International Limited be restrained from entering into a joint venture arrangement with Indus-

League Clothing Limited; and (ii) a decree in favour of the Plaintiff declaring them to be the prior user/owner of the mark Indus Clothing Private Limited be passed. An application for interim injunction has been dismissed in favour of the Defendants and the suit for passing off is still pending. The suit is currently pending.

Tax related proceedings

Cases filed against Indus League Clothing Limited

1. An appeal has been field before the Commissioner (Appeals-I) by Indus League Clothing Limited on grounds of being aggrieved by the order passed by the Additional Commissioner, Central Excise (the "Commissioner") . The Commissioner has through a demand order issued in 2009 directed Indus League Clothing Limited to pay Rs. 5.88 Lakhs towards the recovery of CENVAT credit and imposed a 100% penalty. Indus League Clothing Limited has preferred an appeal before CESTAT Bangalore and matter is currently pending.

2. A demand notice has been issued in 2009 by the Deputy Sales Tax Commissioner, Kanpur directing Indus League Clothing to pay Rs. 1.59 Lakhs. The matter is currently pending.

3. Appeal has been filed in 2009 before the Commissioner Income Tax Appeals by Indus League Clothing Limited against the Assistant Commissioner Income Tax (Appeals) - I, Bangalore on grounds of being aggrieved by the disallowance of expenses for the assessment year 2006-2007. The amount involved is Rs. 43.82 Lakhs. The matter is currently pending.

Arbitration proceedings

Cases filed against Indus League Clothing Limited

1. Arbitration proceedings have been initiated in 2009 before the Punjab and Haryana High Court by Dynamic Continental Private Limited against Indus Clothing Limited for recovery of dues. The amount involved in the matter is Rs. 36.41 Lakhs. The matter is currently pending.

C. Future Consumer Products Limited

Nil

D. Future Consumer Enterprises Limited

Nil

E. Lee Cooper (India) Private Limited

Civil Proceedings

Cases filed against Lee Cooper (India) Private Limited

A civil petition has been filed in 2009 before the Rent Controller Court, Ludhiana by Dynamic Continental Private Limited (the "Petitioner") against Lee Cooper (India) Private Limited (the "Respondent") for eviction arising on the ground of alleged non-payment of rent for the period commencing from September, 2008 to May, 2009. The premises have been closed by the Respondent and their stock was removed on January 15, 2009. The Petitioner claims that the possession of the premises has not been handed over to the Petitioner. The matter is currently pending.

F. Indus Tee Crafts Private Limited

Nil

Litigation involving Directors

A. Kishore Biyani

Criminal proceedings

Cases filed against Kishore Biyani

1. A case has been filed in 2006 before the Magistrate's Court, Belapur by the Food and Drugs Administration Department, Thane against PRIL and Kishore Biyani, under the Prevention of Food Adulteration Act, 1954 for alleged adulteration in Pure Mustard Oil, the product sold by the PRIL. The matter is currently pending.

2. Four criminal cases have been filed in 2008 before the Chief Judicial Magistrate, Ranchi by the Local Health Authority, Municipal Corporation, Ranchi against Kishore Biyani and another, for adulteration and misbranding of food items "Toordal," "Chana Dal," "Chana Besan" and "Chana Sattu" (the "Food Items"). The samples of the said food items collected by the Municipal Corporation from Big Bazaar at Ranchi were found to be adulterated and misbranded and did not meet the prescribed standards under the Prevention of Food Adulteration Rules, 1955. It has been alleged that an offence under section 16 of the Prevention of Food Adulteration Act, 1954 has been committed. The matter is currently pending.

3. A criminal case has been filed in 2008 before the First Class Judicial Magistrate, Indore by the Local Health Authority, Municipal Corporation, Indore against Kishore Biyani and other directors of PRIL. The sample of the product "N-Joi" seized by the Municipal Corporation of Indore, from the PRIL's store was found to contain a synthetic food colour "ponceau 4R", on a test conducted by the public analyst. There was no declaration on the label of the sample pack to this effect and hence it has been alleged that there has been a violation of Rule 24 and proviso (b) of Rule 32 of the Prevention of Food Adulteration Rules, 1955. It is also alleged that the said product and one another product "Fresh & Pure Toast biscuits" were adulterated and misbranded. PRIL has filed a criminal miscellaneous petition before the Madhya Pradesh High Court, Indore Bench under section 482 of Code of Criminal Procedure, 1973 for quashing the complaint and the Madhya Pradesh High Court has granted exemption to all the directors of PRIL till the final disposal of the case in the lower court, by an order dated March 29, 2009. The matter is currently pending in the lower court.

4. A criminal case has been filed in 2007 before the Metropolitan Magistrate, Karkardooma, New Delhi, by the Municipal Authority, Delhi against PRIL and its directors in relation to carry on business at the Food Bazaar at Rohini, Delhi without the health trade license. PRIL has stated that the application for grant of the said license was made to Municipal Corporation of Delhi and business was commenced pending issuance of the same. PRIL has challenged the proceeding before the Sessions Court, Delhi. The matter is currently pending.

5. A criminal case has been filed in 2008 by the Local Health Authority, Municipal Corporation of Kamrup, Guwahati before the Chief Judicial Magistrate, Kamrup, Guwahati against the directors of PRIL, for the alleged adulteration of food products. A sample of "Kalazira" was found to be polished with hydrocarbon oil and contained excessive living insects thereby violating provisions of Prevention of Food Adulteration Rules, 1955 (the "Rules"). Additionally, a sample of "Pure Cow Ghee" was found to be artificially coloured by using "Beta Carotene" and also contained excessive living insects thereby violating provisions of the Rules. The matters are currently pending.

6. A criminal case has been filed in 2009 by the Local Health Authority, Ahmedabad Municipal Corporation before the Sixth Court of the Metropolitan Magistrate, Ahmedabad against Anil S Kaltari, PRIL, Kishore Biyani, Ghanshyam Biyani and Sandip Modi in the capacity of directors of

the PRIL, in respect of a product supplied at the PRIL's retail outlet at Ahmedabad. The public analyst allegedly found the product to be misbranded as it did not conform to the standards and provisions of the rules 32 (b) and (e) of the Rules and as per section 2 (ix) (k) of the Prevention of Food Adulteration Act, 1954. The matter is currently pending.

7. A criminal case has been filed in 2009 by the Local Health Authority, Government of Delhi before the Additional Chief Metropolitan Magistrate, New Delhi against all the Directors of the PRIL. The sample of the product "Malatni Madras Mixture" seized by the Municipal Corporation of Delhi, from the PRIL's store was found to be misbranded as "best before date" did not appear on the product as required per Rule 32 and 36(2)(a) of the MPSG Act read with the Prevention of Food Adulteration Act, 1954. A writ petition (no. Crl. M.C. No. 3837/2009 in Criminal miscellaneous application (no. 13068/2009) under section 482 of Cr. P.C. before the Delhi High Court against the summons order dated August 10, 2009, wherein the Court granted a stay by an order November 11, 2009 against the directors. The matter is currently pending.

8. A criminal case has been filed in 2008 by the Local Health Authority, Municipal Corporation of Indore before the First Class Judicial Magistrate, Indore against all the Directors of PRIL. The sample of a product "N-Joi" seized by the Municipal Corporation of Indore, from a store of PRIL was found to contain a synthetic food colour on a test conducted by the public analyst that was not declared on the label of the sample pack. It is alleged that there was violation of provisions of the Prevention of Food Adulteration Act, 1954. PRIL has filed a criminal miscellaneous petition before the High Court of Madhya Pradesh for quashing the complaint and the High Court of Madhya Pradesh has granted exemption to all the directors of PRIL until the final disposal of the case in the lower court. The matter is currently pending.

9. A criminal case has been filed in 2008 by the Local Health Authority, Municipal Corporation of Kamrup, Guwahati before the Chief Judicial Magistrate, Kamrup, Guwahati against all the directors of the PRIL in relation to adulteration of food products. The sample of "Kalazira" seized by the Municipal Corporation of Kamrup, Guwahati from a Big Bazaar store was found to be polished with hydrocarbon oil. It was also found that the sample contained excessive numbers of insects. It is alleged that there is violation of the provisions of the Prevention of Food Adulteration Act, 1948. The matter is currently pending.

10. Case has been filed in 2009 before the Metropolitan Magistrate Traffic Court, Bangalore by Senior Labour Inspector, 18th Circle, Bangalore against Kishore Biyani and Future Supply Chain Solutions Limited for allegedly violating the Minimum Wages Act by not maintaining the wage register, the inspector's visit book, non display of abstract of the said act and maintaining the details of the contract labours.

Consumer Cases

Cases filed against Kishore Biyani

1. A consumer complaint has been filed in 2010 before the Consumer Forum South Mumbai by Rakesh K. Agrawal (the "Complainant") against PRIL, Kishore Biyani and Big Bazaar, Mumbai for being allegedly over charged by Rs. 35 for the three products purchased by him from the store. The case is currently pending.

Notices

1. Eight separate notices have been issued by the Registrar of Companies, Mumbai against Kishore Biyani, Rakesh Biyani and Gopikishan Biyani in their capacity as directors of PRIL and PRIL on grounds including *inter alia* (i) not furnishing the particulars of employees to the Registrar of Companies or to the inspecting officer, (ii) non-disclosure of the complete registered office address in the balance sheet, (iii) not furnishing the particulars of export activities, (iv) irregularities in approving accounts, (v) irregularities in accounts related disclosures, (vi)

finalization of the balance sheets and profit and loss accounts without obtaining confirmation of unsecured loans, current assets, loans and advances and current liabilities, (vii) not furnishing/annexing the statement in pursuance of section 212 of the Companies Act for the four subsidiaries. PRIL has responded to the notice and has not received any further correspondence in the matter.

B. Anil Harish

Cases filed against Anil Harish

Criminal proceedings

1. The Local Health Authority, Municipal Corporation of Indore has filed a criminal case in 2008 before the First Class Judicial Magistrate, Indore against all the directors of Pantaloon Retail (India) Limited ("PRIL"), including Anil Harish. The sample of a product namely "N-Joi", seized by the Municipal Corporation of Indore, from a store of PRIL was found to contain a synthetic food colour on a test conducted by the public analyst that was not declared on the label of the sample pack. It is alleged that there was violation of provisions of the Prevention of Food Adulteration Act, 1954. PRIL has filed a criminal miscellaneous petition before the High Court of Madhya Pradesh for quashing the complaint and the High Court of Madhya Pradesh has granted exemption to all the directors of PRIL until the final disposal of the case in the lower court. The matter is currently pending.

2. The Local Health Authority, Municipal Corporation of Indore has filed a criminal case in 2008 before the Special Judicial Magistrate, Indore against all the directors of PRIL, including Anil Harish. The samples seized by the Municipal Corporation of Indore, from a store of PRIL were found to be misbranded on a test conducted by the public analyst and a criminal complaint has been lodged. PRIL has filed a criminal miscellaneous petition before the High Court of Madhya Pradesh for quashing this complaint and the High Court of Madhya Pradesh has granted exemption to all the directors of PRIL until the final disposal of the case in the lower court. The matter is currently pending.

3. The Municipal Authority of Delhi filed a case (no. 220 of 2007) before the Metropolitan Magistrate, Karkardooma, New Delhi, against PRIL and all its directors, including Anil Harish in relation to carrying on business at a Food Bazaar store in New Delhi without a health trade license. PRIL has submitted that the business was commenced after an application was made but pending issuance of the license. The matter is currently pending.

4. The Local Health Authority, Municipal Corporation of Kamrup, Guwahati has filed a criminal case (no. 4557 of 2008) before the Chief Judicial Magistrate, Kamrup, Guwahati against all the directors of the PRIL, including Anil Harish in relation to adulteration of food products. The sample of a product seized by the Municipal Corporation of Kamrup, Guwahati from a Big Bazaar store was found to be polished with hydrocarbon oil. It is alleged that there is violation of the provisions of the Prevention of Food Adulteration Act, 1948. The matter is currently pending.

5. The Local Health Authority, Municipal Corporation of Kamrup, Guwahati has filed a criminal case (no. 4556 of 2008) before the Chief Judicial Magistrate, Kamrup, Guwahati against all the directors of PRIL, including Anil Harish, in relation to adulteration of food products. The sample of a product collected by the Municipal Corporation of Kamrup, Guwahati from Pantaloons was found to be artificially coloured and contained live insects. It has been alleged that there has been a violation of the Prevention of Food Adulteration Act, 1954 and rules there under. The matter is currently pending.

6. The Local Health Authority, Government of NCT of Delhi has filed a criminal case (no. 94/PFA/DA/09) before the Additional Chief Metropolitan Magistrate, Patiala House, New Delhi against all the directors of PRIL, including Anil Harish. The sample of a product seized by the

Municipal Corporation of Delhi, from a store of PRIL was found to be misbranded as the best before date was not mentioned. A report of the public analyst states that the mixture is not adulterated. Summons was issued against all the directors in the said matter on August 10, 2009. PRIL has filed a writ petition before the High Court of Delhi. The High Court of Delhi has stayed the summoning order. The matter is currently pending.

7. The Haryana State Pollution Control Board, Panchkulla has filed a complaint before the Special Environment Court, Faridabad against Unitech Developers and Projects Private Limited, a wholly owned subsidiary of Unitech Limited, and all the directors of Unitech Limited alleging that Unitech Developers and Projects Private Limited has not procured necessary clearance certificate from the Ministry of Environment and Forest. Unitech Developers and Projects Private Limited has obtained a stay order against the said complaint from the High Court of Punjab and Haryana. Unitech Limited has filed objection before the High Court of Punjab and Haryana (no. 34688 of 2009) in relation to the directors of Unitech Limited being included as parties to the proceedings. The matter is currently pending.

Civil Proceedings

Cases filed against Anil Harish

1. A suit has been filed in 2003 before the Civil Judge, Senior Division at Alibaug by Shivnath Ganpat Patil and others (the "Plaintiffs"), in their capacity of representing certain villagers at Akshi against Anil Harish and others ("Defendants") for challenging a deed of right of way executed between Abdul Hamid Kasam Mujawar, and the Defendants. The Plaintiffs challenged the right of way granted to the Defendants over a piece of land situated at village Akshi, taluka Alibag, district Raigad, which is adjacent to the land of the Defendants. The matter is currently pending.

2. The Company Law Board (the "CLB") had passed an order directing the Central Government to initiate an investigation under section 237 of the Companies Act against Mukta Arts Limited ("MAL"), Anil Harish, in his capacity as director of MAL and others. MAL filed an appeal against the order of CLB in the Bombay High Court. The Bombay High Court has granted a stay in favour of MAL and the matter is currently pending.

Cases filed by Anil Harish

1. A civil suit has been filed before the Civil Judge, Senior Division at Alibaug by Anil Harish and others against Abdul Hamid Kasam Mujawar and others seeking specific performance for an agreement for sale dated January 17, 2009. The consent terms have been arrived, however the court has not passed an order disposing the same off.

Anil Harish is also aware of certain other cases filed against Unitech Limited, in the capacity of being a director of Unitech Limited and not in his individual capacity.

C. Anand Balasundaram

Nil

D. Jagdish Shenoy

Nil

E. G.N.Bajpai

Nil

Cases involving Promoters

A. Kishore Biyani

For details of outstanding litigation involving Kishore Biyani, please see the section entitled "Litigation involving Directors - Kishore Biyani" on page 263.

B. Pantaloon Industries Limited

Arbitration proceedings

Cases filed by Pantaloon Industries Limited

1. Arbitration proceedings have been initiated d in 2006 before the Bombay High Court by Pantaloon Industries Limited (the "Plaintiff") against Manroopji Bhagchand & Co. (the "Defendants") on grounds arising from nonpayment of the arbitration award dated October 7, 2007. The arbitration bench ordered the Defendants to inter *alia* (i) pay the original amount of Rs. 2.65 Lakhs along with an interest amount of Rs. 0.91 Lakhs, as on October 4, 2007; and (ii) pay committee expenses of Rs. 1,900 within 30 days of the decision. The Defendants failed to make the necessary payments within 30 days. The court has initiated execution proceedings under Order XXI Rules 43 and 54 of the Code of Civil Procedure, 1908 directing joint warrant of attachment of movable and immoveable properties in possession of the Defendants. The parties failed to settle the matter amicably and the matter is currently pending.

C. Pantaloon Retail (India) Limited ("PRIL")

Criminal Cases

Cases filed against PRIL

1. A criminal case has been filed in 2003 before the 6th Court of the Metropolitan Magistrate, Ahmedabad by the Local Health Authority, Ahmedabad Municipal Corporation against Pantaloon Retail (India) Limited ("PRIL") in respect of a product supplied at the PRIL's retail outlet at Ahmedabad. The public analyst allegedly found the product to be adulterated as it did not conform to the standards and provisions of the Prevention of Food Adulteration Rules, 1955 and it was found to be misbranded in terms of section 2(ix)(k) of the Prevention of Food Adulteration Act, 1954. PRIL has filed a criminal miscellaneous petition before the Gujarat High Court under section 482 of Criminal Procedure Code, 1973, seeking that the complaint against it be quashed. The Gujarat High Court has stayed the proceedings pending before the Metropolitan Magistrate, Ahmedabad and has quashed the entire proceedings pending against Kishore Biyani. Thus, currently the matter is pending in relation to PRIL and an employee Alok Dave.

2. A criminal complaint has been filed in 2007 by the Mobile Vigilance Squad, Kozhikode before the Chief Judicial Magistrate, Palakkad against PRIL, Big Bazaar (Palakkad Kerala) and others, alleging that the sample of 'Urad Gota' collected from the said Big Bazaar was adulterated. The matter is currently pending.

3. Two criminal cases have been filed by the Local Health Authority, Hubli has before the First Class Judicial Magistrate, Hubli against the officials of Big Bazaar, Hubli, alleging that the samples of "Turadal" and "Moong Dal" collected from the said Big Bazaar were found to be adulterated as per the report of the public analyst and hence an offence under section 7 (1) read with section 16 (a) of the Prevention of Food Adulteration Act, 1954 has been committed. These matters are currently pending.

4. A criminal case has been filed in 2010 before the First Class Judicial Magistrate, Municipal Court,

Baroda by the Local Health Authority, Baroda against Big Bazaar, Seven Seas Mall, Vinay Garg - Manager Seven Seas Mall, Baroda, and owner of SIS Hariharan Motilal Agarwal. The public analyst allegedly found the sample of "Gulkand Mukhwas" collected from the Big Bazaar to be adulterated as it did not conform to the standards and provisions of the Prevention of Food Adulteration Rules, 1955 and it was found to be misbranded in terms of section 2(ix)(k) of the Prevention of Food Adulteration Act, 1954. The report of Central Laboratory is awaited. The matter is currently pending.

5. A criminal case has been filed in 2010 before the First Class Judicial Magistrate, Municipal Court, Baroda by the Local Health Authority, Baroda against Big Bazaar, Seven Seas Mall, Vinay Garg - Manager Seven Seas Mall, Baroda, and owner of SIS Hariharan Motilal Agarwal. The public analyst allegedly found the sample of "Mava Mukhwas" collected from the Big Bazaar to be adulterated as it did not conform to the standards and provisions of the Prevention of Food Adulteration Rules, 1955 and it was found to be misbranded in terms of section 2(ix)(k) of the Prevention of Food Adulteration Act, 1954. The report of Central Laboratory is awaited. The matter is currently pending.

6. Criminal complaint has been filed in 2009 under section 15 of the Environment Protection Act, 1986 before the Additional Chief Metropolitan Magistrate's Patiala House Court by the Delhi Pollution Control Committee against Big Bazaar Vasant Kunj and others on grounds arising from violating the notification dated November 7, 2009. The notification forbids the use of polyethylene bags, which were allegedly used at the store. The matter is currently pending.

7. A criminal case has been filed in 2008 against one of the employees of PRIL by a customer under sections 406 and 407 of the Indian Penal Code, 1860 and 3(x) of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989. The matter is currently pending.

8. A criminal case has been filed in 2008 by the Local Health Authority, Bangalore before the Special Court for Economic Offences, Bangalore against the Manager, Food Bazaar, Hosur Road and another, alleging that the sample of "Carbonated water (Kinley Club Soda)" collected from the said Food Bazaar was expired on the date of taking the sample and hence an offence under the Prevention of Food Adulteration Act, 1954 had been committed. The matter is currently pending.

9. A criminal case has been filed in 2009 by the State of Karnataka represented by Hebbal Police Station before Additional Chief Metropolitan Magistrate's Court at Bangalore against Aleem, Manjunathgowda and others, who were the employees of PRIL, for hurting a person. All the accused have been released on bail and the charge sheet has been filed before the court. The matter is currently pending.

For further details in relation to criminal cases, which have been filed against Kisore Biyani, Anil Harish and PRIL, please see section entitled "Outstanding Litigation and Material Developments- Criminal Cases filed against Kishore Biyani and Anil Harish at pages 263 and 265, respectively.

Cases filed by PRIL

1. PRIL has filed a criminal complaint before the Economic Offences Wing, against Prakash Khanduri, Mithun Sahal, Futermal Jain, Gopal Jain, Praveen, A.P. Mahesh Co-operative Bank Limited and its officials, Sahebrao Deshmukh Co-operative Bank Limited and its officials and Apna Sahakari Bank Limited and its officials against certain banks, officers and others. PRIL has alleged that the accused persons got cheques issued by it in the name of its vendors by making false entries in the system and creating fake accounts in the name of the vendors, with the above said banks, in collusion with the officials of the banks. The amount involved in this case is Rs. 52.88 Lakhs . All the accused have been duly arrested by the Economic Offences Wing. Mithun Sahal, Futermal Jain and Praveen have been released on bail and bail application filed by Prakash Khanduri was rejected by the lower Court. Prakash Khanduri had filed an appeal against the order which has been dismissed by the Sessions Court of Mumbai. The High Court has granted bail to

Prakash Khanduri. A charge sheet has been before the Metropolitan Magistrate's Court at Esplanade Court, Mumbai The matter is currently pending.

2. A criminal case has been filed in 2007 by PRIL before the Second Additional Chief Metropolitan Magistrate, Nampally, Hyderabad by PRIL against the accused in relation to dishonour of three cheques issued by him for an aggregate amount of Rs. 1.00 Lakhs. The said cheques were issued by the accused towards the payment of various mobile phones purchased by him from Big Bazaar located in Hyderabad on credit. The complaint has been filed under section 138 of the Negotiable Instruments Act, 1881. PRIL has claimed a compensation aggregating to twice the total amount mentioned in the said cheques, in addition to the punishment to be imposed on the accused. The matter is currently pending.

3. PRIL and Big Bazaar, City Centre, Kerala have filed a criminal miscellaneous petition in 2008 before the Kerala High Court against State of Kerala to stay all further proceedings against them in case (ST. no. 3/ 2008) which was filed before the First Class Judicial Magistrate–III Palakkad, till the disposal of the instant petition. The said case was filed before the Magistrate alleging violation of the provisions of Weights and Measures (Enforcement) Act, 1985 and Packaged Commodities Rules, 1977. The High Court has passed directions dated July 8, 2008 that until further orders, personal presence of the petitioners shall not be insisted by the learned magistrate and that the petitioners shall be permitted to appear through their counsels. The matter is currently pending.

Civil Cases

Cases filed against PRIL

1. A civil suit has been filed in 2003 by Raymond Limited before the Bombay High Court against PRIL and others, for restraining PRIL from selling goods under the trademark "RAYMEN". The claimant has claimed that PRIL aided and abetted the infringement of the said trademark by selling goods manufactured by the supplier in their stores and has sought damages for an amount aggregating Rs. 5.00 Lakhs. The parties are negotiating settlement and the matter is currently pending.

2. An original suit has been filed in 2008 before the Delhi High Court by Central Retail Corporation Limited, Central Department Store Limited and Harng Central Department Store Limited against Future Brands Limited and PRIL, seeking permanent injunction against the defendants to restrain them from using the trademark "Central." Further, the plaintiffs have sought damages amounting to Rs. 1,000 Lakhs. Future Brands and PRIL have filed the written statement on November 3, 2008. The matter is currently pending.

3. Two original suits have been filed in 2007 by Sanman Residency and Shree Kesar Trading Company respectively before the City Civil Court, Bangalore and Senior Civil Judge, Hyderabad against PRIL and Food Bazaar, for recovery of money. The main issue in the one of the case pertains to certain discrepancies in the bill amount raised by the plaintiff for stay of PRIL's employees in their hotel. The plaintiff has claimed an amount of Rs. 3.00 Lakhs and interest at the rate of 18 %per annum, towards the alleged balance amount to be paid by PRIL. The matter is currently pending. In the other case the plaintiff has claimed an aggregate amount of Rs. 2.00 Lakhs and interest at the rate of 18 %per annum for the delayed payment on account of the goods supplied by the plaintiff to the defendant. PRIL has filed its written statement. These matters are currently pending.

4. A civil suit has been filed in 2008 by Damji Bhai Hansraj Bhai Vekaria before the Principal Senior Civil Judge, Rajkot against Big Bazaar and Pantaloon, Rajkot, alleging that the building wherein Big Bazaar and Pantaloon are located is illegal. The plaintiff has stated that the land was acquired from the plaintiff for town planning and therefore, cannot be allotted for commercial purpose. The matter is currently pending.

5. A civil suit has been filed in 2006 by Rohit Chandra before the Court of Civil Judge South (Junior Division), Lucknow against PRIL and another, alleging that PRIL is liable for the offence of carrying on unfair trade practices, by selling the goods at lesser prices and thereby trying to create monopoly. The plaintiff has stated that PRIL has been selling foreign imported goods without the required details, such as name of the manufacturer, maximum retail price and date of manufacture and that the staff of PRIL has hurt his religious sentiments. The plaintiff has sought permanent injunction against PRIL to restrain it from carrying on its business activities in the demised premises. PRIL has filed the written statement. The matter is currently pending.

6. A civil suit has been filed in 2007 by Sanjay Goel before the Court of Senior Civil Judge, Delhi against Jaipur Golden Transport Limited and PRIL, for non receipt of payment for goods delivered to PRIL and Jaipur Golden Transport Limited. The plaintiff has claimed an amount of Rs. 1.00 Lakhs and interest at the rate of 18% per annum. The plaintiff has also requested for permanent injunction against Jaipur Golden Transport Limited for restraining it from selling, transferring and disposing off the goods by auction or otherwise, till full and final payment of the said suit amount. The matter is currently pending.

7. A recovery suit has been filed in 2008 before the Court of District Judge, Delhi by AVS Trading Company Limited against PRIL to recover possession of the property at 14-A, 8th Floor, Dr. Gopal Das Bhavan, 28, Barakhamba Road, New Delhi, which was transferred by the plaintiff to PRIL through a lease deed of three years. The lease deed was terminated by the plaintiff after giving a notice dated October 26, 2007. The plaintiff has claimed damages amounting to Rs. 1.00 Lakhs and interest at the rate of 18 % per annum from the defendant, for delay in returning the possession of the property. The matter is currently pending.

8. A complaint has been filed before the Monopolies and Restrictive Trade Practices Commission, New Delhi by J.K. Dhingra against the Branch Manager, Big Bazaar, Inderlok, Delhi and others, for use of monopolistic, restrictive and unfair trade practices by the respondent in respect of the "Great Exchange Offer" scheme launched from February 16, 2007 to March 16, 2007. The complainant has claimed that he had collected exchange coupons worth Rs. 0.09 Lakhs, but he was not given items of standard quality by the respondents and was forced to purchase goods worth Rs. 0.36 Lakhs to get the exchange coupons reimbursed. The amount involved in the matter is Rs. 1.24 Lakhs. The matter is currently pending.

9. Six cases have been filed before the Civil Judge (Junior Division), Agra and City Civil Court, Kolkata against PRIL and others, for non-transfer of 900 shares respectively of PRIL, which the plaintiffs had bought from other defendants. PRIL's registrars Intime Spectrum Registry Limited, did not transfer the shares as the signatures on the share transfer deed did not match the specimen signature recorded with it. The plaintiff has sought a direction from the court to direct other defendants to take necessary steps for completion of the transfer in their name and an injunction to restrain PRIL from granting any right in respect of the said shares to other defendants/persons. PRIL has filed written statements in three cases. The matter is currently pending.

10. A civil suit has been filed in 2009 before the Bombay High Court by Sports and Leisure Apparels Limited against PRIL and others in respect of shops no. 6A and 6B situated at ground floor, Cross Road Mall, 28 Pandit M. M. Malviya Road, Haji Ali, Mumbai. The plaintiffs have sought an injunction against the defendants from creating any third party right, interest and parting with possession or inducting third party in possession of the demised property until the final disposal of the suit and has claimed compensation of Rs. 191 Lakhs towards the loss of business and Rs. 791 Lakhs as damages. The notice of motion for an ad-interim relief was duly dismissed by an order dated July 3, 2009. An appeal was filed against the said order, which was also dismissed. The matter is currently pending.

11. A civil suit has been filed in 2009 before the Small Causes Court, Bangalore, by Tunes, Bangalore against PRIL alleging non receipt of payment of Rs. 0.69 Lakhs towards the delivery of audio and video CDs and VCDs. The matter is currently pending.

12. A civil suit has been filed in 2009 before the Delhi High Court by filed by Koninklijke Phillips Electronics N.V. against Bhagirathi Electronics and Big Bazaar and HSRIL alleging infringement of patent and selling of DVD player of "PASSION" respectively and has claimed certain data from Big Bazaar and HSRIL. The matter is currently pending.

13. Suit has been filed in 2009 before the Civil Judge Junior Division Alwar by Treat Restaurant through Lovekush Naruka (the "Plaintiff") against PRIL on grounds of seeking temporary injunction against vacating the premises on the ground floor at Big Bazaar, Alwar. Pursuant to an agreement, the Plaintiff for operating a restaurant in Big Bazaar premises. The municipal authority raised objection upon renting the premises as the same was reserved for parking. The Plaintiffs seek to retain possession of their restaurant and resume operation in the original area. The matter is currently pending.

Cases filed by PRIL

1. PRIL has filed an original suit in 2006 before the City Civil Court, Bangalore seeking a perpetual injunction to restrain the defendants from interfering in the peaceful possession of the immovable property situated at Marathahallli Village, Varthur Hubli, Bangalore. PRIL had taken the said property on lease from defendants by way of a lease agreement dated September 4, 2006 for a period of five years, further renewable for a period of seven years. The defendants were trying to create a third party interest in the said suit property despite of having entered into the lease agreement with PRIL and are trying to dispossess PRIL from the property. The Court has granted temporary injunction restraining the defendants from interfering in PRIL's peaceful possession of the property. The matter is currently pending.

2. A case has been in 2008 filed before the District Judge, Jaipur by PRIL against Rebecca Expo Investment Private Limited for cancellation of a memorandum of understanding dated October 7, 2005 entered into between PRIL and the certain persons for transfer of a property situated in Jaipur. The said memorandum of understanding has been cancelled by the defendants stating that they are unable to transfer the property due to force majeure reasons. The court did not allow the interim injunction sought by PRIL and did not restrain the defendants from transferring the property to third parties, against which an appeal (no. 3647 of 2008) has been filed before High Court of Rajasthan for the requisite relief. The High Court of Rajasthan has passed an order dated September 16, 2008, for maintaining the status quo in respect of the suit property. The matter is currently pending.

3. A case has been filed in 2010 before the District Judge, Hyderabad by PRIL against Chalasani Purnchandra Rao and others (the "Defendants) for non-adherence to the terms of the memorandum of understanding dated November 23, 2009 executed by and between PRIL and the Defendants for a property situated in Kukatpally. The terms of the MoU were breached by the Defendants and the lease was not granted to PRIL. PRIL seeks interim relief in order to restrain the Defendants from creating any third party rights in respect of property. The damages claimed aggregate to Rs. 200 Lakhs. The court through its order dated June 2, 2010 allowed the interim injunction sought by the Company to restrain the Defendants from transferring the property to third parties. The matter is currently pending.

4. A case has been filed in 2010 before the Additional Civil Judge, Ludhiana by PRIL against FMI Limited for cancellation of a memorandum of understanding entered into between PRIL and FMI Limited in relation to letting out to us space in the upcoming mall FMI centre at Ludhiana. PRIL is seeking permanent and mandatory injunction against the termination of the memorandum of understanding. The matter is currently pending.

5. The Upper Collector, Ghaziabad has initiated a case in 2008 against PRIL for deficiency in payment of stamp duty for certain property related transactions. PRIL had filed a reply to the notice. The Upper Collector passed an order dated November 4, 2008 that a notice is required to

be sent to the lessor in relation to the said insufficiency in payment of stamp duty. The Lessor filed its reply dated December 10, 2008 in the Court of Assistant Commissioner of Stamps, Gaziabad. Subsequently, the Assistant Collector, Ghaziabad in this case passed an order dated April 24, 2009 directing PRIL to pay Rs. 259 Lakhs towards stamp duty and Rs. 25.00 Lakhs towards penalty aggregating to Rs. 285 Lakhs. PRIL had filed an appeal against the said order before the Chief Controlling Revisional Authority, Allahabad to stay that order and has also deposited Rs. 130 Lakhs. The Chief Controlling Revisional Authority, Allahabad didn't grant the stay and therefore PRIL has filed a writ petition with the Allahabad High Court for a stay. The Allahabad High Court has, vide its order dated July 10, 2009, granted a stay in the said matter stating that till the appellate authority reaches the final decision no recovery shall be made against the PRIL for the balance amount. The matter is currently pending.

6. The District Collector of Stamps, Gautambudhnagar, Uttar Pradesh has issued a notice in 2009 to PRIL for deficiency in payment of stamp duty amounting to Rs. 303 Lakhs, in relation to a property related transaction. The matter is currently pending for hearing. Furthermore, earlier also a case (no. 45 of 2007) was filed in respect of the same property, wherein an order was passed by the Collector, Gautambudhnagar on March 30, 2009, imposing a stamp duty of Rs. 242.00 Lakhs along with penalty and interest of Rs. 24.00 Lakhs total aggregating to Rs. 266 Lakhs on PRIL, as per section 33 of the Indian Stamp Act, 1899**.** PRIL had filed an appeal against the order before the Chief Controlling Revenue Authority ("CCRA"), Allahabad, which was dismissed by an order dated November 3, 2009. PRIL thereafter had filed a writ petition against the order before the High Court of Allahabad. By an order dated November 24, 2009 the High Court of Allahabad granted a stay and directed PRIL to pay 50% deposit of the impugned demand. PRIL has deposited Rs. 121 Lakhs payable to Tehsildar, Dadri, G.B. Nagar in December, 2009. The matter is currently pending.

7. The Collector of Stamps, Kanpur has filed a case in 2007), against PRIL, for alleged deficiency in payment of stamp duty in respect of a property transaction, seeking to recover an amount of Rs. 56.00 Lakhs as stamp duty along with penalty. The Collector of Stamps through an order dated May 28, 2007 directed PRIL to pay the aforesaid amount along with penalty. PRIL has filed a writ petition before the Allahabad High Court against the order of the Collector of Stamps. The Allahabad High Court referred the matter to Chief Controlling Revisional Authority, Allahabad and the case was remanded back to Kanpur Stamp Office by Chief Controlling Revisional Authority. PRIL has already paid a stamp duty of Rs. 51.00 Lakhs and the instrument is partly executed. The Collector of Stamps, Kanpur has passed another order dated September 29, 2008, wherein PRIL has been directed to pay Rs. 51.00 Lakhs towards the stamp duty and an equivalent amount towards the penalty aggregating to Rs. 102 Lakhs. The PRIL has filed an appeal before the Chief Controlling Revisional Authority against the said order. The Chief Controlling Revisional Authority has granted stay on the order of the Collector of Stamps, Kanpur. PRIL has filed another writ petition (no. 51538 of 2009) before the Allahabad High Court, wherein, further stay was granted by an order dated October 10, 2009. The matter is currently pending.

Tax Related Cases

Cases filed against PRIL

1. The Deputy Commissioner of Income Tax passed an order against PRIL and reduced the addition in capital work in progress to the extent of Rs. 75.97 Lakhs for the assessment year 2001-02. PRIL filed appeal against the order before Commissioner of Income Tax (Appeals), Mumbai ("CIT") disputing reduction in capital work in progress. The CIT (Appeal) through order dated June 29, 2009 allowed the reduced the addition in capital work in progress claimed by PRIL. Subsequently, the Deputy Commissioner of Income Tax passed orders against PRIL in the assessment years 2002-2003, 2003-2004, 2005-2006 and 2006-2007 disallowing depreciation on account of reduction of capital work in progress in the assessment year 2001-2002. PRIL has filed appeal against the above orders in CIT (appeal) and CIT appeal has passed order in favour of PRIL for the assessment year 2006-2007. The appeal against for the assessment years 2002-2003, 2003-

2004 and 2005-2006 filed and the CIT (Appeal) has allowed appeal in favour of PRIL. The Income Tax Department has filed appeal in Income Tax Tribunal Mumbai (IAT) against order of CIT (Appeal) for the assessment year 2001-2002, the matter is in the Tribunal.

2. PRIL has received the demand notice for the assessment year 2006-2007 for not submitting the F forms. PRIL has filed a writ petition with high court of Karnataka and paid the entire amount of under protest. The amount involved of Rs.73.93 lakhs The matter is currently pending.

Cases filed by PRIL

1. The Deputy Commissioner of Income Tax passed an order against PRIL directing them to pay an amount aggregating approximately Rs. 18.00 Lakhs for the assessment year 2001-2002. PRIL filed an appeal against the order before the Commissioner of Income Tax (Appeals), Mumbai ("CIT") on grounds of being aggrieved by the order. The Commissioner of Income Tax (Appeals) through an order dated November 19, 2004 disposed the matter partly in favour of PRIL. The Deputy Commissioner of Income Tax and PRIL have appealed against the aforesaid order on March 11, 2005 and January 20, 2005, respectively before the Income Tax Appellate Tribunal, Mumbai ("ITAT"). ITAT has decided the appeal and remanded the matter back to CIT for fresh adjudication. The matter is currently pending.

2. The Deputy Commissioner of Income Tax reopened the assessment for the year 2004-2005. The order disallowed (i) Rs. 6.32 Lakhs for depreciation on CWIP during the assessment year 2001-2002, (ii) Rs 40.06 Lakhs under section 14A of the Finance Act, (iii) Rs 202.00 Lakhs as interest on capital work in progress under section 36(1)(ii) of the Finance Act, (iv) Rs 53.16 Lakhs on reversal on the insurance claim; and (v) Rs 138.19 Lakhs on account of valuation of closing stock. PRIL has filed appeal with CIT (Appeal) against the order for AY 2004-05.The disputed amount of demand for A.Y 2004-05 is Rs 208.32 Lakhs. The appeal is currently pending.

3. The Deputy Commissioner of Income Tax during the scrutiny assessment for 2007-08 has (i) disallowed capital receipt from Future Media aggregating to Rs 2,500 Lakhs, (ii) Rs 92.90 Lakhs under Section 14A and Rule 8D of the Finance Act, (iii) Rs 243.83 Lakhs disallowed against transportation and handling charges; and (iv) Rs 317.23 Lakhs disallowed against interest on loans and advances under section36(1)(ii) of the Finance Act. The disputed amount of demand for assessment year 2007-2008 is Rs 1,116.98 Lakhs. The appeal is currently pending.

4. PRIL filed an appeal before the Joint Commission of Commercial Taxes, Karnataka VAT against the order of CST Assistant for the assessment year 2007-2008 of Rs.54.89 Lakhs. PRIL has paid 50% of the demand, and issued a bank guarantee of Rs.27.44 Lakhs. The matter is currently pending.

5. PRIL received a demand notice for Rs.1.73 Lakhs for the assessment year 2006- 2007, out of which PRIL has paid Rs 23,890. In respect of the remaining amount of Rs 1.50 Lakhs, PRIL filed an appeal before the Additional Commissioner- Grade 2, UP Trade Tax. The amount has been deposited under protest. The matter is currently pending.

6. PRIL received a demand notice for Rs.9.01 Lakhs for the assessments year 2007-2008 out of which PRIL adjusted Rs 2.03 Lakhs with adjustment voucher received against finalization of appeal cases of year 2007-2008. In respect of the remaining amount of Rs 6.97 Lakhs, PRIL filed an appeal with the Additional Commissioner – Grade 2, UP Trade Tax. The amount has been deposited under protest. The matter is currently pending.

7. PRIL and others have filed writ petitions before the High Court of Gujarat, two writ petitions before the Calcutta High Court and two writ petitions before the Andhra Pradesh High Court, against Union of India, Secretary-Ministry of Finance, Director General of Service Tax and Central Board of Excise and Customs seeking a stay on levy of service tax on "renting of immovable property". PRIL has claimed that the service tax has to be levied on "services rendered

in renting of immovable property" and not on "renting of immovable property" and has challenged the notification and circulars relating to levy of service tax "on renting of immovable property". Interim stay has been granted by the High Courts, restraining the respondents from recovering service tax until further orders. A transfer petition in 2009 had been filed, whereby the Supreme Court of India has tagged writ petitions filed before the Gujarat High Court with SLP (9(C) no. 13850 of 2009). The matters are currently pending.

8. PRIL and others have filed a writ petition in 2008 before the High Court of Gujarat, against the Union of India, Secretary-Ministry of Finance, Director General of Service Tax and Central Board of Excise and Customs seeking a stay of service tax levied on "renting of immovable property". PRIL has claimed that service tax has to be levied on "services rendered in renting of immovable property" and not on "renting of immovable property" and have challenged the notification and circulars relating to levy of service tax "on renting of immovable property." Interim stay has been granted by the High Court, restraining the respondents from recovering service tax until further orders. A transfer petition (Civil) (Nos. 738 -796 of 2009) had been filed, whereby the Supreme Court of India has tagged the said case with Transfer Petition (C) Nos. 807-821 of 2008.

9. Two writ petitions has been filed before the High Court of Andhra Pradesh by PRIL and Future Value Retail Limited (the "Petitioners") against the Union of India, and others seeking a stay of service tax levied on "renting of immovable property." PRIL has claimed that service tax has to be levied on "services rendered in renting of immovable property" and not on "renting of immovable property" and have challenged the notification and circulars relating to levy of service tax "on renting of immovable property." The matter is currently pending.

10. PRIL has filed a two writ petitions before the Guwahati High Court, against the State of Assam, Commissioner of Guwahati Municipal Corporation and Collector, Government of Assam, requesting for quashing the advertisement tax bills, which has demanded advertisement tax over the signages on the leased property. PRIL has challenged the notification and the circulars relating to the same. The Guwahati High Court has granted a stay in favour of PRIL on March 5, 2009. The petitions are currently pending.

11. The Assistant District Magistrate (Finance and Revenue), Allahabad has issued a notice in 2008 against PRIL, with respect to the registration and payment of stamp duty in relation to transaction of a property at Atlantic Mall, Allahabad. An order dated January 12, 2009 was passed by Upper Collector (Finance and Revenue) demanding Rs. 90.00 Lakhs towards stamp duty and Rs. 1.00 Lakhs towards penalty. PRIL filed a writ petition before the Allahabad High Court, which set aside the impugned order and directed the Additional District Magistrate (Finance and Revenue) Allahabad to proceed afresh in accordance with law. In the fresh case (No. 332 / 2008-09) the Upper Collector (Finance and Revenue) directed PRIL to deposit Rs. 80.00 Lakhs towards stamp duty and Rs. 80.00 Lakhs towards penalty with 1.5 % interest by an order dated September 25, 2009. PRIL had filed an appeal against the order with the CCRA Allahabad after depositing Rs. 67.00 Lakhs (being the 1/3rd amount of Stamp Duty, Penalty and Interest). CCRA admitted the appeal by an order dated October 28, 2009. The matter is currently pending.

Labour Cases

Cases filed against PRIL

1. The Assistant Commissioner of Labour – II, Hyderabad, Assistant Commissioner of Labour, Vijayawada and Senior Labour Inspector 18th Circle, Bangalore have filed five separate cases before the Court of Authority under the Minimum Wages Act, 1948 against Big Bazaar, for not paying the wages to the employees of Big Bazaar in accordance with the Minimum Wages Act, 1948. It has been held that PRIL has to make the payment to the employees as per the Minimum Wages Act, 1948. The aggregate amount involved in the cases is Rs. 21.00 Lakhs. These matters are currently pending.

2. A labour compensation application filed in 2009 by one of the contract labour, namely Rathore Rajesh Manubhai against PRIL alleging injury caused by floor machine during the course of work and has claimed compensation of Rs. 0.90 Lakhs for the loss of his two fingers. The matter is currently pending.

3. A labour complaint has been filed in 2009 before P.O.I.T., KKD, by Rakesh Rathi, alleging that illegal termination of his service and has claimed reinstatement along with full back wages and consequential benefits. The matter is currently pending.

4. Complaint has been filed in 2009 before Labour Court, Surat by Raju Ganesh Prasad Gupta against PRIL seeking reinstatement of services. The matter is currently pending.

5. A recovery petition has been filed in 2007 by Deepak Monal Bhai Patel before the Labour Court against PRIL by one of its employees, under section 33(c)(2) of the Industrial Disputes Act, 1947 for various claims including payment of balance salary, over-time, bonus and week-off, aggregating Rs. 0.48 Lakhs. PRIL has filed a reply to the petition. The matter is currently pending.

6. A case has been filed in 2007 before the Ahmedabad Labour Court by Ajay Dadu bhai Jebaliya against PRIL on grounds of termination. PRIL contends that he was absent without giving any notice for a long period of time and though, show cause notices to him several times, he did not reply to the same and did not resume services. The matter is currently pending.

7. Two separate reinstatement applications under Industrial Dispute Act have been filed before the Labour Commissioner, Ahmedabad, by two contract labours, Rathore Rajesh Manubhai and Monal Deepak Bhai Patel against PRIL seeking reinstatement of services. The matters are currently pending.

8. A reinstatement application has been filed in 2009 under Industrial Dispute Act has been filed before the Labour Court, Ahmedabad, by one of the contract labourer, namely Bipendra Singh Balwan, against Delta Guards Private Limited and Big Bazaar Satellite claiming reinstatement in service along with full back wages. The matter is currently pending.

9. A reinstatement application under Industrial Dispute Act has been filed before the Labour Court, Ahmedabad, by one of the contract labourer, namely Goutam Singh Virendra Singh, against Delta Guards Private Limited and Big Bazaar Satellite claiming reinstatement in service along with full back wages. The matter is currently pending.

10. Two separate recovery petitions have been filed in 2008 by one of the employees of a company, which has a contract with Big Bazaar. Big Bazaar is not concerned with the matter as the plaintiff is neither their employee nor is there in the pay rolls. Two similar applications (nos. 51/09 and 52/09) have been filed against PRIL and another company, which has a contract with PRIL, for payment of wages aggregating to Rs. 0.88 Lakhs. These matters are currently pending before the Labour Court, Ahmedabad**.**

Cases filed by PRIL

1. Four complaints have been filed by PRIL before the Industrial Court at Mumbai and Industrial Court at Thane, against the certain unions, for the disturbances caused to the business activities of PRIL as a result of the violent agitations carried out before different stores and premises of PRIL. The Courts have passed orders restraining the defendants from obstructing PRIL's employees and the managerial staff, in any manner from performing their regular work or from indulging in any act of violence, force coercion. These matters are currently pending.

Consumer Cases

Cases filed against PRIL

1. A complaint has been filed in 2004 before the District Consumer Disputes Redressal Forum, Bandra, Mumbai against PRIL and Tops Detective and Security Services. The complainant claimed compensation for an amount aggregating to Rs. 5.00 Lakhs with interest at the rate of 18% per annum for the loss of his laptop on September 6, 2003 from Big Bazaar outlet operated by PRIL in Mumbai. The complainant alleged deficiency in the services of safe custody provided by PRIL and Tops Detective and Security Services which led to the loss. The matter is currently pending.

2. 25 complaints have been filed before different Consumer Disputes Redressal Forums against Big Bazaar and others for selling defective goods such as refrigerators, air conditioners, football, shoes, sofa set and mobile phones and non replacement of such defective goods and deficient services. These matters are currently pending. The amounts involve in the said cases is approximately 8.58 Lakhs.

3. A complaint has been filed in 2008 before the District Consumer Disputes Redressal Forum against Big Bazaar and others. The complainant claims that the jacket in question was purchased by him, from another store i.e. Salassar and not from Big Bazaar. However, the magnetic detector installed at the exit gate of Big Bazaar beeped while the complainant was carrying the said jacket outside the gate and was consequently stopped by the security staff and thus faced humiliation. The matter is currently pending.

4. Eight complaints have been filed before various Consumer Disputes Redressal Forums against Big Bazaar for selling contaminated, adulterated, expired, wrongly described, or old products. The complaints are currently pending. The amounts involve in the said cases is approximately Rs. 5.00 Lakhs. The matters are pending at various stages of adjudication.

5. 27 complaints have been filed against Big Bazaar for various reasons including over billing, charging more than the printed maximum retail price of the product, deficiency of services, unfair trade practices and restrictive trade practices. The amounts involve in the said cases is approximately Rs. 2.60 Lakhs. The matter is currently pending.

6. A complaint has been filed in 2006 before the District Consumer Disputes Redressal Forum, Gurgaon against Big Bazaar. The said matter case was heard ex parte and now the complainant has filed execution petition to recover the compensation awarded by the forum, by an order dated October 25, 2007. PRIL had filed an appeal before the State Consumer Disputes Redressal Commission, which was dismissed by an order dated August 21, 2008. PRIL has filed an appeal in the National Consumer Disputes Redressal Commission, which is currently pending.

7. A consumer complaint has been filed on April 13, 2009 before the District Consumer Dispute Redressal Forum, Thane, by Avinash More against the Manager, Big Bazaar Society alleging that he was misguided/cheated by a "great exchange offer" Advertisement in Daily news paper regarding an offer extended by Bing Bazaar whereby new goods could be purchased at lesser price in exchange of old goods. The District forum directed Bing Bazaar to pay Rs. 0.05 Lakhs to the complainant. PRIL has filed an appeal before the State Consumer Dispute Redressal Forum on December 15, 2009. The matter is currently pending.

8. Consumer Complaint has been filed in 2009 before Consumer Dispute Redressal Forum, Pune by Babulal P. Solanki against the Chairman/Secretary Pune Central Mall, PRIL and others for the alleged defects in goods and services due to an accident related to the lift occurred and the complainant and his wife suffered serious injuries. The matter is currently pending.

9. Consumer Complaint has been filed in 2009 before District Consumer Dispute Redressal Forum

Jaipur by Niraj Bhamu against Big Bazaar on grounds of being aggrieved by a scheme of Big Bazaar, where a Reliance hand set on purchases exceeding Rs. 600 was provided by Big Bazaar. The complainant alleges that he purchased in excess of Rs. 600 from Big Bazaar but did not receive any handset and two pending outstanding bills from reliance served to him. The matter is currently pending.

10. Consumer Complaint has been filed in 2009 before District Consumer Dispute Redressal Forum, Lucknow by Lily Tandon against Reliance Communications and Big Bazaar on grounds arising from deficiency in service arising out of incorrect information provided in relation to a mobile handset. The complainant purchased a mobile with life time validity, which was deactivated after 8 months for not having the minimum recharge amount. The matter is currently pending.

11. Consumer Complaint has been filed in 2009 before the Consumer Dispute Redressal Forum, Mumbai by Manju Om Salecha against Navras, PRIL and National Insurance Company Limited for the alleged loss of a bracelet in transit. The insurance company informed the complainant that the loss is not covered under the parameters of the said policy conditions. The complainant has demanded of Rs. 0.51 Lakhs towards the amount, Rs. 0.45 Lakhs towards medical expenses, Rs. 0.05 Lakhs towards costs and Rs. 1.00 Lakhs towards mental agony and harassment.

12. Consumer Complaint has been filed in 2009 before the District Consumer Forum, Jaipur by Prakash Kumar Sharma against Bigbazaar, Jaipur and others for grievances pertaining to the service centre dealing with his mobile handset. The amount involved is Rs. 98,583. The matter is currently pending.

13. Consumer Complaint has been filed in 2010 before the District Consumer Forum, Gurgaon by Girish Mudgil against Big Bazar and others for grievances pertaining to technical problem in the handset which the customer service center failed to repair. The amount involved is Rs. 1.00 Lakhs. The matter is currently pending.

14. Consumer Complaint has been filed in 2010 before the District Consumer Forum, Jaipur by Abhay dhadhish against PRIL, and others for grievances pertaining to a handset, which stopped working again. The amount involved is 18% interest on Rs.5,190. The matter is currently pending.

15. Consumer Complaint has been filed in 2010 before the District Consumer Forum, Agra by Shailendra Kumar Srivastava against Big Bazar, Agra and others for grievances pertaining to the voice in headset, which was found to be a manufacturing defect by the service center The amount involved is Rs. 0.75 Lakhs with 9% interest p.a. on the cost of the handset. The matter is currently pending.

16. Consumer Complaint has been filed in 2010 before the District Consumer Forum, Lucknow by Sudesh Kumar against Big Bazar, PRIL, Lucknow and others for grievances pertaining to the screen of his mobile handset, which was found to be a manufacturing defect by the service center The amount involved is Rs. 0.99 Lakhs. The matter is currently pending.

17. Two separate consumer complaints have been filed in 2009 before the District Consumer Forum, Agra and Gurgaon by two separate individuals against Big Bazar, PRIL, and others on grounds of grievances pertaining to the mobile handset .The amount involved is Rs. 0.30 Lakhs. The matters are currently pending.

Cases filed by PRIL

1. An appeal/revision application has been filed in 2007 before the National Consumer Disputes Redressal Commission by Big Bazaar against order dated April 10, 2007 passed by the State Consumer Disputes Redressal Commission, Gujarat for alleged selling of currency coupons on big saving days by unfair means and resulting in restrictive trade practices. The matter is currently

pending.

Arbitration

Cases filed against PRIL

1. Two separate original miscellaneous petitions have been filed in 2010 before the Delhi High Court by Galleria Property Management Services Private Limited against PRIL on grounds of breach of the lease agreement Galleria Property Management Services Private Limited seeks interim relief during the pendency of the arbitration proceedings and prays that the court directs PRIL to furnish security in relation to the arrears of rentals, maintenance, mense profit, and other charges until the termination of the lease in respect of shop nos. 27 and 308 situated at DLF City Centre, AP-Block, Shalimar Bagh, Delhi aggregating to Rs. 514 Lakhs. Galleria Property Management Services Private Limited is also claiming *mesne profits* and interest at the rate of 24 % .p.a. The matters are currently pending.

2. An application under section 11 of the Arbitration and Conciliation Act, 1996 has been filed in 2009 before the High Court of Delhi, by Ariba India Private Limited against PRIL has been filed for appointment of an arbitrator. The defendant is alleged to have breached the software service contract entered into by the parties. In the legal notice dated January 14, 2009 sent to PRIL by the claimant, a total amount of Rs. 785 Lakhs has been claimed. The matter is currently pending.

Stamp duty cases and notices

Cases filed against PRIL

1. The Collector of Stamps, Lucknow has initiated two cases in 2008 against PRIL for deficiency in payment of stamp duty in relation to transactions of property which belonged to Sahara India Commercial Corporation Limited. The matters are currently pending. The notice issued by the Collector of Stamps, Lucknow does not provide for the amount involved.

2. The Collector of Stamps, Agra has initiated a case in 2009 against PRIL for deficiency in payment of stamp duty in relation to a transaction of property which belonged to MRG Developers Private Limited. The notice issued by the Collector of Stamps, Lucknow does not provide for the amount involved.

3. The Assistant Collector of Stamp, Meerut has initiated a case in 2008) against PRIL for deficiency in payment of stamp duty in relation to a property transaction. No amount has been mentioned in the said notice. However, in case (no 960 of 2007) relating to the same property an amount of Rs. 65.00 Lakhs has been deposited by the Licensor of the property towards stamp duty, penalty, registration fees and interest. The matter is currently pending.

4. The Assistant Inspector General of Registration, Kanpur Nagar, issued a notice against PRIL on November 28, 2008 for non-payment of stamp duty for a property of Big Bazaar situated at Rave Moti, Kanpur Nagar. The notice issued does not provide for the amount involved. The case is currently pending.

5. The Assistant Collector, Lucknow, has initiated a case in 2009 against PRIL for insufficient payment of stamp duty for transaction related to property. The notice issued does not provide for the amount involved. The case is currently pending.

6. The Assistant Inspector General of Registration, Kanpur Nagar, issued a notice on December 6, 2007, against DEPOT, Kanpur, relating to alleged non-payment of stamp duty for a property of DEPOT situated at Rave Moti, Kanpur Nagar. The aforesaid notice does not mention the amount involved. The case is pending.

For further details in relation to notices issued by the Registrar of Companies, Mumbai against PRIL please see section entitled "Outstanding Litigation and Material Developments- Notices issued against Kishore Biyani" at page 264.

D. Future Capital Investment Private Limited

Nil

E. Future Corporate Resources Limited

Nil

F. Future Knowledge Services Limited

Nil

Litigation involving the Group Companies

A. Future Capital Financial Services Limited

Criminal Case

Cases filed against Future Capital Financial Services Limited

1. An enquiry proceeding under Section 144 (2) of Criminal Procedure Code has been field by Vishal Garg seeking to stop any kind of harassment or nuisance to him by Future Money employees in connection with the recovery of amounts due under a personal loan availed by him. The total amount outstanding is Rs. 1.78 Lakhs. The matter is currently pending.

Cases filed by Future Capital Financial Services Limited

1. 4,300 cases have been filed against customers for recovery of loan amounts under Sections 138 and 142 of Negotiable Instruments Act. The amount involved is Rs. 5,257 Lakhs. These matters are pending at various stages of adjudication.

Civil Cases

Cases filed against Future Capital Financial Services Limited

1. A case has been filed in 2008 before the Delhi High Court against Future Capital Financial Services Limited (the "Defendant") by Satish Kumar Satija (the "Plaintiff") on grounds of being aggrieved by the order of the arbitrator. The Plaintiff availed a home equity loan and disputes arose between the parties on the rate of interest charged. The Plaintiff therefore did not pay his EMI dues to the Defendant. The Defendant invoked arbitration proceedings. The amount involved is Rs. 165 Lakhs.

2. 12 separate civil cases have been filed before various forums by individuals, who availed personal loans from Future Capital Financial Services Limited on grounds including *inter alia* (i) restricting collection calls, (ii) loan sanction letter not provided at the time of disbursement, (iii) dispute in relation to the rate of interest charged, (iv) coercive collection tactics employed for recovery of amount, (v) sending coercive collection agents and (vi) demanding fresh repayment schedules. The amount involved in these matter aggregates to is Rs. 12.63 Lakhs. These matters are pending at various stages of adjudication.

3. 21 separate insolvency petitions have been filed before various forums by customers, who have availed personal loans from Future Capital Financial Services Limited seeking to be declared

insolvent as they are unable to pay amounts due to Future Capital Financial Services. The amount involved in these matter aggregates to Rs. 45.12 Lakhs. These matters are currently pending at various stages of adjudication.

4. Three separate cases have been filed before the Kolkata City Civil Court by customers who have availed personal loans from Future Capital Financial Services Limited for seeking a declaration that Future Capital Financial Services Limited is not entitled to any repayment. The plaintiffs pray that Future Capital Financial Services Limited be restrained from disposing them from their residences and threatening them for recovery of dues. The amount involved in the matters is Rs. 1.82 Lakhs. The matters are currently pending at various stages of adjudication.

5. Five separate cases have been filed before the Bangalore City Civil Court by customers who have availed personal loans from Future Capital Financial Services Limited for seeking an injunction against the recovery agents of Future Capital Financial Services Limited in relation to the recovery of dues not entitled to any repayment. The amount involved in the matters is Rs. 20.33 Lakhs. The matters are currently pending at various stages of adjudication.

Consumer Cases

Case filed against Future Capital Financial Services Limited

1. A case has been filed in 2007 before Consumer District Forum at Bangalore by Rajesh V against Future Capital Financial Services Limited on grounds of deficiency in service. The amount involved is Rs. 8,306. The matter is currently pending.

Cases filed by Future Capital Financial Services Limited

1. Three separate consumer cases have been filed before various forums by various persons who have availed loans from Future Capital Financial Services Limited alleging wrong recovery of cheque bouncing charges, excess charging of interest and other grievances.

Arbitration proceedings

Cases filed by Future Capital Financial Services Limited

1. Nine separate arbitration matters have been initiated by Future Capital Financial Services Limited against various individuals on grounds including defaults in payment interest amounts of home equity loans availed by these persons. The amount involved in these matters is Rs. 542 Lakhs. These matters are pending at various stages of adjudication.

B. Future Media (India) Limited

Criminal Cases

Cases filed against Future Media (India) Limited

1. A compliant has been filed in 2010 under section 138 of the Negotiable Instruments Act before the 33rd Court, Ballard Pier against The Links Private Limited by Future Media (India) Limited. The amount involved in the matter is Rs. 6.28 Lakhs. The matter is currently pending.

2. A compliant has been filed in 2008 under section 138 of the Negotiable Instruments Act before the Court of Metropolitan Magistrate, 13th Court, Bhoiwada against Prem in his capacity of being the proprietor Stepping Stone Events by Future Media (India) Limited. The amount involved in the matter is Rs.1.17 Lakhs. The matter is currently pending.

Civil Cases

Cases filed by Future Media (India) Limited

1. A winding up petition under section 433 and 434 of the Companies Act has been filed by Future Media (India) Limited against Shiva Ads India Private Limited for recovery of outstanding dues. The amount involved is Rs. 5.64 Lakhs. The matter is currently pending.

C. Future Capital Holdings Limited

Civil Cases

Cases filed against Future Capital Holdings Limited

1. A civil case has been filed in 2010 before Additional Civil Judge, Nellore by V. Govinda Rao (the "Plaintiff") against Future Capital Holdings Limited (the "Defendant"). The Plaintiff had previously filed a consumer complaint against the Defendant for non-receipt of application money, which was dismissed. The matter is currently pending.

2. A civil suit has been filed before Civil Judge (Junior Division), Hisar by Jyana Ram (the "Plaintiff") against Future Capital Holdings Limited seeking a mandatory injunction and a direction that Rs. 97,920 along with interest be paid to the Plaintiff. The Plaintiff had applied for shares of Future Capital Holdings Limited. The matter is currently pending.

Consumer Cases

Cases filed against Future Capital Holdings Limited

1. A complaint has been filed in 2009 before the Consumer Dispute Redressal Forum, Haryana against Future Capital Holdings Limited by Navin Kumar seeking refund of application money paid by the complainant. The amount involved in the matter is Rs.30,600. The matter is currently pending.

2. A complaint has been filed in 2009 before Consumer Dispute Redressal Forum, Delhi against Future Capital Holdings Limited by Aditi Bansal seeking refund of application money paid by her. The amount involved in the matter is Rs. 6.24 Lakhs. The matter is currently pending.

3. A complaint has been filed on in 2009 by Mukesh Prajapat in the Consumer Disputes Redressal Forum, Rajasthan where the complainant has claimed that he was wrongfully denied allotment of shares pursuant. The amount involved in the matter is Rs. 86,200.The matter is pending.

4. A complaint has been filed in 2010 before the Consumer Dispute Redressal Forum, Rajasthan against Future Capital Holdings Limited by Pabudan Singh seeking refund of application money paid by the complainant. The amount involved in the matter is Rs. 30,600. The matter is currently pending.

5. A complaint has been filed in 2008 before the Consumer Dispute Redressal Forum, Farukhabad against Future Capital Holdings Limited by Ashish Awasthi seeking refund of application money paid by him. The amount involved in the matter is Rs.61, 200. The matter is currently pending.

6. A complaint has been filed in 2009 before the Consumer Dispute Redressal Forum, Ahmedabad against Future Capital Holdings Limited by Hardikbhai Patel seeking refund of application money paid by him. The amount involved in the matter is Rs.42,840. The matter is currently pending.

7. A complaint has been filed in 2008 before the Consumer Dispute Redressal Forum, Jaipur against Future Capital Holdings Limited by Sudha Boolia seeking refund of application money paid by her. The amount involved in the matter is Rs.1.31 Lakhs. The matter is currently pending.

8. A complaint has been filed in 2009 before the Consumer Dispute Redressal Forum, Jodhpur against Future Capital Holdings Limited by Ashok Bhati seeking refund of application money paid by her on account of non receipt of application money or allotment of shares. The amount involved in the matter is Rs. 24,480. The matter is currently pending.

Tax related matters

Cases filed by Future Capital Holdings Limited

1. An appeal has been filed before the Commissioner of Income-tax (Appeals) by Future Capital Holdings Limited for the assessment year 2007-2008. The amount involved is Rs. 16.04 Lakhs. The matter is currently pending.

D. Future Supply Chain Solutions Limited (erstwhile Future Logistic Solutions Limited)

Criminal Cases

Cases filed by Future Supply Chain Solutions Limited

1. Complaint has been filed under section 138 and 141 of Negotiable Instruments Act, 1881 in 2010 before the Court of the Chief Judicial Magistrate, Alipore by Future Supply Chain Solutions Limited (the "Complainant") against Deep Consultancy Private Limited and its directors (the "Respondents"). Certain cheques issued by the Respondent towards the refund of security deposit bounced. The amount involved in the matter is Rs. 7.50 Lakhs. The court has issued warrants against the directors. The matter is currently pending.

Civil Case

Cases filed against Future Supply Chain Solutions Limited

Future Supply Chain Solutions Limited received a summons and legal notice dated March 26, 2010 from St. Onge Company claiming Rs. 110 Lakhs for alleged deficiency in services rendered pursuant to the terms of St. Onge proposal dated November 20, 2007. FSCSL responded to the said summons and notice in May, 2010. Subsequently St. Onge filed a legal case in the court of Pennsylvania. The matter is currently pending

Labour Cases

Cases filed against Future Supply Chain Solutions Limited

1. Case has been filed in 2009 before the Metropolitan Magistrate Traffic Court, Bangalore by Senior Labour Inspector, 18^{th} Circle, Bangalore against Kishore Biyani and Future Supply Chain Solutions Ltd for allegedly violating the Minimum Wages Act by not maintaining the wage register, the inspector's visit book, non display of abstract of the said act and maintaining the details of the contract laborers.

Cases filed by Future Supply Chains Limited

1. Complaint has been filed on June 13, 2009 before the Industrial Court, Thane by Future Supply Chain Solutions Limited (the "Complainant") against Bhartiya Kamgar Sena (the "Respondent") seeking to restrain the Respondents from functioning in and around the premises of the Complainant situated at G-6, MIDC, Boisar. The Industrial Court through their order granted the interim relief and restrained the Respondents from engaging in any union related activities in the above premises of the Complainant. The matter is currently pending.

E. Future Value Retail Limited

Criminal Cases

Cases filed against Future Value Retail Limited

1. The MCD License Department has filed a criminal case before the MCD Court, Delhi against Future Value Retail Limited in relation to carrying on business without a license. The matter is currently pending.

2. The MCD Sanitation Department has filed a criminal case before the MCD Court, Dhaka against Future Value Retail Limited in relation to carrying on business without a license. The matter is currently pending.

Civil Cases

Cases filed by Future Value Retail Limited

1. Writ petition has been filed in 2010 before the High Court of Andhra Pradesh by Pantaloon Retail India Limited and Future Value Retail Limited (the "Petitioners") against the Union of India, and others seeking a stay of service tax levied on "renting of immovable property." The Petitioners state that Section 65(90a) read with Section 65(105)(ZZZZ) of the Finance Act, 2007and Finance Act 2008 and Finance Act, 2010 are null, void and *ultra vires* and violate Articles 14, 246 and 265 of the Constitution of India and Section 66 of the Finance Act. The Petitioners pray that they be declared illegal and arbitrary. The court through an order dated June 21, 2010 grated interim stay and directed the Respondents not to initiate any coercive steps for recovery of service tax on the renting of immovable properties by the Petitioners for the period of June 1, 2007 to April 1, 2010. The matter is currently pending.

2. Complaint has been filed under section 28 and 29 read with item 5 of Schedule III of Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1999 in 2010 before the Bandra Industrial Court by Future Value Retail Limited against Bhartiya Kamgar Sena (the "Defendants"), on grounds arising from for indulging in unfair labour practices by disrupting the smooth functioning of day to day activities at the premises situated at Knowledge House situated at Shyam Nagar, Off JVLR, Jogeshwari (E) Mumbai. The court has passed an interim order dated May 24, 2010, restraining the Defendants from obstructing the smooth functioning of the premises and its staff, customers from coming and outgoing into the premises. The matter is currently pending.

For further details in relation to civil cases filed against Future Value Retail Limited, please see section entitled "Outstanding Litigation and Material Developments - Civil Cases filed by PRIL at page 271.

F. Future Agrovet Limited (erstwhile Pantaloon Food Product (India) Limited)

Criminal Cases

Cases filed against Future Agrovet Limited

1. A complaint has been filed in 2008 before the 39th Court, Vile-Parle by the Health License Department of Bombay Municipal Corporation against K.B'S Fair Price (Charkop, Kandivali), a division of Future Agrovet Limited in relation to carrying of trade without obtaining requisite license under section 394 (1)(e)(i) of the Bombay Municipal Corporation Act, 1888. The matter is currently pending.

2. The PFA Department has filed a complaint in 2009 before the Metropolitian Magistrate, at the Patiyala House Court against Future Agrovet Limited, Varinder Kaur and Satvinder Singh alleging that the sample of "Dal Arhar" collected from a store in Vikas Puri was adulterated. The matter is currently pending.

3. A complaint has been filed by the Weight and Measurement Department has before the Controller Weight and Measurement, against Future Agrovet Limited, and Praveen kumar, alleging that the sample of one weighing machine, in the store situated at Chander Lok did not meet the required specifications.

Cases filed by Future Agrovet Limited

1. A case has been filed in 2009 before the Karkar Duma Court, Delhi by K.B'S Fair Price against property/store owners of Braham Puri Delhi party seeking a fund of the security deposit amounting to Rs. 1.67 Lakhs in relation to an agreement dated February 19, 2008. The matter is currently pending.

Civil Cases

Cases filed against Future Agrovet Limited

1. A civil suit has been filed in 2009 before the Bangalore City Civil Court by Gowra Bai (the "Plaintiff") against K.B'S Fair Price for restraining K.B'S Fair Price from interfering with the Plaintiff's peaceful possession and enjoyment of the premises bearing no. 1/2, West Park Road, 7th cross, Malleshwaram, Bengaluru and directing K.B'S Fair Price to pay the sum of Rs. 12.00 Lakhs to the Plaintiff towards compensation and damages for occupying the premises even after termination of tenancy and directing to pay interest @ 12% over the amount of Rs. 12.00 Lakhs from the date of suit till actual payment. The matter is currently pending.

2. A case has been filed in 2009 before the Bangalore City Civil Court by Narayan Rao (the "Plaintiff") against K.B'S Fair Price for restraining K.B'S Fair Price from interfering with the Plaintiff's peaceful possession and enjoyment of premises bearing no. 1, west park road, 7th cross, Malleshwaram, Bengaluru and for payment of compensation of Rs. 6.00 Lakhs for occupying the schedule premises even after termination of tenancy and directing to pay the defendants interest @ 12% over the amount of Rs. 6.00 Lakhs from the date of suit till actual payment and also to direct K.B'S Fair Price to pay cost of the proceedings. The matter is currently pending.

3. A case has been filed in 2009 before the Tis hazari Court, Delhi by Mukul Aggarwal Properties in against Future Agrovert Limited relation to a store operated by Future Agrovet, seeking commission aggregating to Rs. 3.37 Lakhs. The matter is currently pending.

Cases filed by Future Agrovet Limited

1. A case has been filed 2009 before the City Civil Court by K.B'S Fair Price ("Plaintiff) against Madan Mohan Reddy and Subramanya seeking the refund of the security deposit. The Plaintiff was operating a store on the premises taken on lease from Madan Mohan Reddy. Madan Mohan Reddy sold the property to Subramanya in December 2008 and the intimated the sale to the Plaintiff through a letter. Consequently, the Plaintiff terminated the lease deed and sought the refund of their security deposit of Rs 4.50 Lakhs. The case is currently pending.

Labour Cases

Cases filed by Future Agrovet Limited

1. A complaint under sections 31 and 200 of the Karnataka Shops and Commercial Establishment Act, 1961 has been filed in 2009 before the Metropolitan Magistrate Traffic Court by the Labour Office of Bangalore against K.B'S Fair Price, for non compliance with the requirement of display of registration certificate at the store, maintenance of visitor book at the store, maintenance of attendance register in form T. The matter is currently pending.

Notices

1. A final notice under the Karnataka Shops and Commercial Establishment Act, 1961, the Minimum Wages Act 1948 has issued by the Labour Department in 2010 to K.B'S Fair Price, the Wilson garden store, Bangalore to show the cause under for not maintaining records as required at the store premises and not furnishing the same during inspection. The matter is currently pending.

2. Two notices have been issued by the Legal metrology against K.B'S Fair Price stores for altering the maximum retail price on the barcode. The matters are currently pending.

G. Future Bazaar India Limited ("FBIL")

Criminal Cases

Cases filed by FBIL

1. Seven separate criminal cases under section 138 of the Negotiable Instruments Act, 1881have been filed before Second Additional Chief Metropolitan Magistrate, Mumbai by FBIL against the proprietor of Quantum Concepts (the "Accused") in relation to dishonour of seven different cheques issued by Quantum Concepts for an aggregate amount of Rs. 39.26 Lakhs. The said cheques were issued by the Accused towards the payment for purchase of various items like DVD players, digital cameras, CF cards, men's watches, camcorder and other allied items from FBIL located in Knowledge House, Shyam Nagar on credit. FBIL has claimed a compensation aggregating to Rs. 78.00 Lakhs. The matter is currently pending.

H. Future Mobile and Accessories Limited

Criminal Cases

Cases filed by Future Mobile and Accessories Limited

1. Criminal Complaint has been filed in 2010 before the Metropolitan Magistrate, Delhi by Future Mobile and Accessories Limited against Seema Ashpanani under Section 138 of the Negotiable Instruments Act, 1881. The amount involved in the matter is Rs. 27,500. The matter is currently pending.

Civil Cases

Cases filed against Future Mobile and Accessories Limited

1. A money suit has been filed in civil miscellaneous case in 2009 by Sanjeevani Health and Lifestyle Private Limited before the Courts of the Civil Judge, Kolkata against Future Mobile and Accessories Limited on grounds arising from alleged nonpayment of rent for the entire lock-in period. The amount involved is Rs. 57.00 Lakhs along with interest accruing at 18%. The money suit and the civil case are pending at various stages of adjudication.

2. A civil suit has been filed in 2009 by Kamini A. Prthyani before the Courts of the Civil Judge (Senior Division), Mumbai against Future Mobile and Accessories Limited on grounds arising from termination of the lease agreement and alleged nonpayment of rent for the entire lock-in period along with other expenses. The amount involved is Rs. 4.00 Lakhs. The matter is currently pending.

3. A civil suit has been filed in 2009 by Meghraj Leelaram Rochani before the Court of the Joint Civil Judge (Senior Division), Mumbai against Future Mobile and Accessories Limited on grounds arising from termination of the lease agreement and alleged nonpayment of rent for the entire lock-in period along with other expenses. The amount involved is Rs. 4.00 Lakhs. The matter is currently pending.

Consumer Cases

Cases filed against Future Mobile and Accessories Limited

1. A consumer case has been filed in 2010 before the District Consumer Forum, Delhi by Pradeep Kumar Mangal against HDFC Bank, Future Mobile and Accessories Limited and others for the alleged misuse of his credit card, which was swiped in the store. The amount involved is Rs. 30,000. The matter is currently pending.

2. A consumer case has been filed in 2010 before the Consumer Disputes Redressal Forum, Delhi by Desh Raj against Future Mobile and Accessories Limited and Fly Care for the alleged malfunction in a mobile phone model, FLY V-100 which the customer service center failed to repair. The amount involved is Rs. 25,000. The matter is currently pending

3. A consumer case has been filed in 2010 before the District Consumer Disputes Redressal Forum-II, Lucknow by Mudit Awasthi against Future Mobile and Accessories Limited and Samsung India Limited for the alleged function in a mobile phone model, Samsung 3310 Metro Silver. The amount involved is Rs.95,000. The matter is currently.

4. A consumer compliant has been filed in 2010 before the Consumer Disputes Redressal Forum, West Bengal by Shouvik Kumar Banerjee against Big bazaar and others for the alleged technical problem in phone model no.FLY 2040L. The amount involved is Rs. 8,000. The matter is currently pending.

5. Consumer Complaint has been filed in 2009 before the District Consumer Forum, New Delhi by Duggar Securities Limited, against Axiom Telecom and others for grievances pertaining to the battery back-up of a handset, which the customer service center failed to repair. The amount involved in the matter is Rs. 32,299 with 18% interest per annum. The matter is currently pending.

I. Home Solutions Retail (India) Limited (“HSRIL”)

Criminal Cases

Cases filed by HSRIL

1. HSRIL has filed a criminal case before Additional Chief Metropolitan Magistrate, Bangalore, on May 6, 2009 against Chandani, proprietor of Sri Sai Ganesh Concrete Blocks, in relation to dishonour of two cheques (Cheque no. 558576 dated February 3, 2009 amounting to Rs. 0.61 Lakhs and Cheque no. 558577 dated February 6, 2009 amounting to Rs, 0.61 Lakhs) issued by Chandani, drawn on State Bank of Mysore. The said cheques were issued by Chandani towards the payment of LG Dish Washer, Sony Home Theatre and LG LCD TV purchased by the brother of Chandani on part payment from Home Town, located in Bangalore. The Complaint has been filed under section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

Civil Cases

Cases filed against HSRIL

1. Suit has been filed in 2007 against HSRIL by Asian Paints Limited (“APL”) in the Bombay High Court. APL had, *inter alia*, prayed for grant of an *ad-interim* injunction restraining HSRIL from using the trademark "Home Solutions" or deceptively similar trademark till the final disposal of the present suit. The Bombay High Court through an order dated September 18, 2007 rejected the plea and did not grant an ad-interim injunction. The suit is currently pending for disposal.

2. A. Anusuya has filed a civil case against Bangalore Development Authority and others on April 3, 2002 before the City Civil Judge, Bangalore, claiming to be the owner of the land on which the building was constructed and where HSRIL had taken a part of premises on lease basis for running its retail store. HSRIL was included as a respondent and it was also proposed that the rents be deposited in the court pending the suit. The application to seek HSRIL to deposit the arrears of rents during the pendency of the suit was rejected by the Court and the plaintiff has been directed to file evidence in this matter. The matter is currently pending.

3. Asian Paints has filed a civil suit (no. 2178 /07) on July 13, 2007 before the Bombay High Court against HSRIL for claiming compensation Rs 50.00 Lakhs along with 21% interest as compensation for use of trade mark “Home Solutions” by HSRIL. Separately, Asian Paints had also filed a notice of Motion (no. 2961 of 2007) and the same is pending for final hearing. The matters are currently pending.

4. A civil suit has been filed in 2009 before the Delhi High Court by Koninklijke Philips Electronics N.V. against HSRIL, alleging that the HSRIL is selling unlicensed DVD video players from its various outlets under the brand name “KORYO and PASSION”. HSRIL has to file written statement. No monetary claim has been made against HSRIL. The matter is currently pending.

Cases filed by HSRIL

1. HSRIL has in February 2008 filed an objection before the Registrar of Trademark, Kolkata opposing the registration of the mark “Neozone” being applied for registration by Neozone Tubes Private Limited vide application no. 1469368 and 1469370 in Class 35 and 37, as it is deceptively similar to the mark “E Zone” applied for by HSRIL. The matter is currently pending.

2. HSRIL has in July 2009 filed an objection before the Registrar of Trade Marks, Delhi opposing the registration of the mark “SURBHI” being applied for registration by Surbhi Broadband Private Limited vide application no. 1596094, as it is deceptively similar to the mark “SURABHI” applied for by HSRIL. The matter is currently pending.

3. HSRIL has in November 2009 filed its objection before the Registrar of Trade Marks, Chennai opposing the registration of the mark "SEN-SEI" being applied for registration by Sen-Sei Technologies Private Limited, through an application no. 1617916, as it is deceptively similar to the registered mark "SENSEI" of HSRIL. The matter is currently pending.

4. HSRIL has in February 2010 filed its objection before the Registrar of Trade Marks, Delhi opposing the registration of the mark "Home Solutions" being applied for registration by Reckitt Benckiser, company situated at Luxembourg, vide application no. 1426153, as it is deceptively similar to the mark "Home Solutions." The matter is currently pending.

5. HSRIL in April 2010 has filed its objection before the Registrar of Trade Marks, Delhi opposing the registration of the mark "era e zone" being applied for registration by Era E-Zone (India) Limited, company situated at Okla Industrial Estate Phase III, New Delhi -20, vide application no 1669607, as it is deceptively similar to the mark "E Zone." The matter is currently pending.

Consumer Cases

Cases filed against HSRIL

1. Consumer complaint has been filed in 2007 before the District Consumer Dispute Redressal Forum, Indore, by K.K. Chaturvedi against HSRIL alleging that the laptop and HP printer purchased by him was not functioning properly and has claimed compensation of Rs. 1.61 Lakhs as compensation along with interest @12% per annum. The matter is currently is pending.

2. Consumer complaint has been filed in 2008 before the District Consumer Dispute Redressal Forum, Indore by Dr N.K. Neema against HSRIL alleging that the modular kitchen fittings were of inferior quality and they were not fitted properly and has claimed compensation of Rs. 1.22 Lakhs towards the cost of the products, Rs. 0.50 Lakhs for mental torture and monetary loss and Rs. 0.03 Lakhs for legal expense and 18% interest on the total amount claimed. The matter is currently pending.

3. Consumer complaint has been filed in 2008 before the President, District Consumer Redressal Forum, Shalimar Bagh, Delhi, by Ram Niwas against HSRIL and others, alleging that the colour television set delivered was faulty and has claimed compensation of Rs. 0.15 Lakhs for the cost of product purchased. The matter is currently pending.

4. Consumer complaint has been filed in 2008 before the District Consumer Dispute Redressal Forum, Agra by Dr. Ramesh Chandra Saraswat against HSRIL and others alleging that the Nokia mobile handset was not functioning properly and has claimed compensation of Rs. 0.04 Lakhs towards the cost of the product, Rs. 0.20 Lakhs for mental torture, Rs. 0.05 Lakhs for travelling expenses and Rs. 0.05 Lakhs for miscellaneous expenses. The matter is currently pending.

5. Consumer complaint has been filed in 2008 before the District Consumer Disputes Redressal Forum, Pune, by Mahantesh Rudrappa Rachnnavar against HSRIL, alleging that the DT4S Kennedy Town Dining Table and chairs delivered were defective and has claimed compensation of Rs. 0.22 Lakhs for refund of the cost of product and Rs. 0.10 Lakhs for mental agony. The matter is currently pending.

6. Consumer complaint has been filed in 2009 before the District Consumer Disputes Redressal Forum, Aurangabad, by Varsha Deelip Pawar against HSRIL, alleging that the Palacio Bedroom set was delivered with a defective bed and has claimed replacement of the product or Rs. 0.34 Lakhs being the cost of the product along with 18% interest, Rs. 0.10 Lakhs for mental agony, Rs. 0.02 Lakhs as legal expenses and Rs. 800 as miscellaneous cost. The matter is currently pending.

7. Consumer complaint has been filed in 2009 before the District Consumer Dispute Redressal Forum, Delhi, by O.P. Verma, against HSRIL and others alleging that the washing Machine was

not functioning properly and has claimed replacement or repair of the product along with Rs. 0.08 Lakhs as cost of litigation and Rs. 0.50 Lakhs as compensation. The matter is currently pending.

8. Consumer complaint has been filed in 2009 before the District Consumer Redressal Forum, Lucknow, by Chandra Prakash Gupta against HSRIL and others, alleging that the Eva bedroom set was not delivered and has claimed compensation of Rs. 0.48 Lakhs towards refund with 18% interest along with Rs.4.00 Lakhs for mental agony and Rs. 0.20 Lakhs towards legal expenses. The matter is currently pending.

9. A consumer complaint has been filed in 2009 before the District Consumer Disputes Redressal Forum, Indore, by Surendra Pagaria against HSRIL, alleging that the second set of sofa purchased was not as comfortable compared to the first set of sofa and has claimed compensation of Rs. 0.50 Lakhs towards refund or replacement of the product. The matter is currently pending.

10. Consumer complaint has been filed in 2009 before the District Consumer Disputes Redressal Forum, Indore, by Bulbul Sharma against HSRIL, alleging that the I-Pod and charger purchased were defective and has claimed compensation of Rs. 0.15 Lakhs as the cost of product and Rs. 0.03 Lakhs towards refund. The matter currently pending.

11. Consumer complaint has been filed in 2009 before the District Consumer Disputes Redressal Forum, Ranchi, by Gopal Sharan Singh against HSRIL, alleging that the Whirlpool White Magic Washing Machine delivered was defective and has claimed compensation of Rs. 0.22 Lakhs towards refund with 18% interest along with Rs. 0.5 Lakhs for physical and mental agony and Rs. 0.10 Lakhs towards legal expenses. The matter is currently pending.

12. Consumer complaint has been filed in 2009 before the Consumer Disputes Redressal forum, Indore, by Subhendra Vyas against HSRIL alleging that the laptop purchased by him was not functioning properly and has claimed compensation of Rs. 0.45 Lakhs towards refund along with Rs 0.50 Lakhs for mental agony and Rs 0.10 Lakhs towards other expenses. The matter is currently pending.

13. Consumer complaint has been filed in 2009 before the Consumer Disputes Redressal Forum, Mumbai, by Mohan Maruti Jadhav against HSRIL, alleging that the materials booked by him was not delivered in time and has claimed compensation of Rs. 0.06 Lakhs towards refund along with Rs. 0.30 Lakhs for inconvenience and harassment and Rs. 0.20 Lakhs towards legal expenses with 18% interest. The matter is currently pending.

14. Consumer complaint has been filed in 2009 before the Consumer Disputes Redressal Forum, Indore, by Praveen Saxena against HSRIL, alleging that the sofa set purchased by him was defective and claimed compensation of Rs. 0.26 Lakhs towards refund with 9 % interest, from the date of payment till the date of realization, along with Rs. 0.20 Lakhs for mental agony and Rs. 0.05 Lakhs towards legal expenses. The matter is currently pending.

15. Consumer complaint has been filed in 2009 before the District Consumer Disputes Redressal Forum, Lucknow, by I. R. Siddiqui against HSRIL, alleging that the Modular Kitchen was not installed properly and within stipulated time period and the products delivered were of sub-standard quality. The amount involved in the matter is Rs. 99.50 Lakhs, along with interest of 24% each on Rs. 9.00 Lakhs and Rs 1.10 Lakhs respectively. The matter is currently pending.

16. Consumer complaint has been filed on in 2009 before the District Consumer Disputes Redressal Forum, Indore, by Sarla Sajotia against HSRIL, alleging that the Modular Kitchen was not installed in time and it was unnecessarily delayed and has demanded installation of Modular Kitchen within three working days. The amount involved in the matter is Rs. 1.06 Lakhs. The matter is currently pending.

17. Consumer Complaint has been filed in 2009 before the District Consumer Disputes Redressal

Forum, Indore, by G. C. Jain against HSRIL, alleging that the product purchased by him was defective. The complaint was filed to claim refund and costs in relation to mental agony and postal charges aggregating to Rs 0.24 Lakhs. The matter is currently pending.

18. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Indore, by Vinay Prakash Pandey, against HSRIL, alleging that the refrigerator purchased by him was defective. The complaint was filed to claim refund and compensation aggregating to Rs 0.19 Lakhs. The matter is currently pending.

19. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Aurangabad by Dr. Dharmapal Patil, alleging that the furniture booked by him was not delivered within stipulated period. The Complaint was filed to compensation in relation to transport charges, litigation cost and loss of business aggregating to Rs 0.65 Lakhs. The matter is currently pending.

20. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Hyderabad by Dr. Kesava Bhogaraju alleging that the modular kitchen fitting has not been installed as on date. The complaint was filed to claim refund of Rs 0.69 Lakhs towards the cost of the products with 18% interest per annum from January 2009 until realization. The amount involved is Rs. 1.50 Lakhs. The matter is currently pending.

21. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Delhi by Sumit Paul, against HSRIL, alleging that the refrigerator purchased by him was defective. The complaint was filed to claim refund and compensation and miscellaneous aggregating to Rs 0.13 Lakhs from HSRIL. The matter is currently pending.

22. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Aurangabad by Akash Chopra, alleging that the air conditioner booked by him was not delivered within stipulated period and has claiming Rs 0.25 Lakhs as compensation. The matter is currently pending.

23. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Kolkata, by Surendra Gupta, alleging that the refrigerator along with the stabilizer purchased by him appears to be defective. The complaint was filed seeking the replacement or refund amount of Rs 0.34 Lakhs as the cost of the product and Rs. 0.25 Lakhs as compensation for mental harassment and other cost. The matter is currently pending.

24. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Ahmedabad, by Arihant Corporation, a partnership firm, through its partner, Dhaneshbhai Patel, alleging that the water dispenser purchased by him appears to be defective. The Complaint was filed seeking a refund of Rs 0.05 Lakhs and compensation for mental harassment and other costs aggregating to Rs. 0.05 Lakhs. The matter is currently pending.

25. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Bangalore, by Pradeep Raman, alleging that the furniture booked by him was not delivered within stipulated period. The complaint was filed to seek the refund and to claim compensation amounting to Rs 1.50 Lakhs. The matter is currently pending.

26. Consumer Complaint has been filed in 2010 before the District Consumer Disputes Redressal Forum, Delhi by Dr Manish Sharma, alleging that the air conditioner purchased by him is defective. The amount involved is Rs. 1.00 Lakhs. The matter is currently pending.

27. Consumer Complaint has been filed in 2010 has been filed before the District Consumer Disputes Redressal Forum, Kolkata by Deepak Gaur alleging that the LCD TV purchased by him has not been installed. The amount involved in the matter is Rs 0.76 Lakhs. The matter is currently pending.

Tax cases

Cases filed by HSRIL

1. Writ petition has been filed in 2008 before the Delhi High Court by HSRIL to quash notification no. 24/2007 and circular no. 98/1/2008 (Service Tax) pertaining to levy of service tax on renting of immovable property. The Delhi High Court has granted a stay in the matter vide order dated March 3, 2008 and subsequently, through a final order dated April 18, 2009 set aside the aforesaid notification and circular. The Union of India has filed a special leave petition (no. 13850/2009) before the Supreme Court of India, praying that the order dated April 18, 2009 passed by the Delhi High Court be quashed, and an interim stay in the matter be allowed. The Supreme Court of India through their order dated June 2, 2009 has issued notice to the respondents, but no interim stay in the matter has been granted. The special leave petition is currently pending.

2. Writ Petition has been filed in 2010 before the Delhi High Court by HSRIL against the Union of India and others challenging the provisions of Section 65(105) (zzzz) of the Finance Act 1994, which have been altered by the Finance Act 2010. The altered provision levy was to levy service tax on renting of immovable property with retrospective effect from June 1, 2007. The Delhi High Court has granted interim stay through its order dated May 18, 2010. The Court issued notice to the Respondents. The writ petition is currently pending.

J. Myra Mall Management Company Limited ("MMCL")

Tax Related Matters

Cases filed by Myra Mall Management Company Limited

1. An appeal has been filed before the Commissioner of Income-tax (Appeals) Mumbai by Myra Mall Management Company Limited for the assessment year 2007-2008. The amount involved is Rs. 1.63 Lakhs. The matter is currently pending.

K. Ambit Investment Advisory Company Limited

Tax Related Matters

Cases filed by Ambit Investment Advisory Company Limited

1. An appeal has been filed before the Commissioner of Income-tax (Appeals) VII Mumbai by Ambit Investment Advisory Company Limited for the assessment year 2006-2007. The amount involved is Rs. 16.04 Lacs. The matter is currently pending.

L. Future Capital Investment Advisors Limited

Tax Related Matters

Cases filed by Future Capital Investment Advisors Limited

1. An appeal has been filed before the Commissioner of Income-tax (Appeals) VII Mumbai by Future Capital Investment Advisors Limited for the assessment year 2006-2007. The amount involved is Rs. 89.15 Lacs. The matter is currently pending.

M. Kshitij Investment Advisory Company Limited

Tax Related Matters

Cases filed by Kshitij Investment Advisory Company Limited

1. An appeal has been filed before the Commissioner of Income-tax (Appeals) 21 Mumbai Kshitij Investment Advisory Company Limited for the assessment year 2007-2008. The amount involved is Rs. 36.10 Lacs. The matter is currently pending.

N. Galaxy Entertainment Corporation Limited

Cases filed against Galaxy Entertainment Corporation Limited

1. A suit has been filed in 2009 by Artlite Illumination Private Limited before the Court of the Civil Judge, Delhi against Galaxy Entertainment Corporation Limited for non payment of dues of Rs. 2.35 Lakhs in relation to work done in Bangalore Nagpur and Ahmedabad. The matter is currently pending.

Cases filed by Galaxy Entertainment Corporation Limited

1. Two separate writ petitions have been filed in 2007 before the Lucknow High Court by Galaxy Entertainment Corporation Limited against the demand raised by Entertainment tax department. The amount involved is Rs. 14.57 Lakhs. These cases are currently pending at various stages of adjudication.

Litigation involving the Business Ventures

A. AND Designs India Limited

Civil Case

Case filed against AND Designs India Limited

1. A case has been filed in 1999 before the Bombay High Court by Bonnie D' Souza (the "Plaintiff") against Cross D' Souza (the "Defendant") seeking a declaration that the Defendants are bound by a deed of partition dated April 2, 1971 and not entitled to transfer or sell the suit property situated in Bandra any third party. By a deed of conveyance and other requisite documents, the defendant transferred his right title and interest in the suit property to Masque Clothing Company Private Limited (now AND Designs India Limited). The Plaintiff prays for reliefs including *inter alia* that a temporary injunction restrained the Defendants from alerting or transferring the suit property be issued and the representative and servants of the Defendants be restrained form parting possession of the suit property. AND Designs India Limited currently operates a wellness division from the suit premises. The matter is currently pending.

B. Biba Apparels Private Limited

Tax Related Matter

Case filed against AND Designs India Limited

1. A case was filed for delay on payments of value added tax in Delhi. The amount involved is Rs. 1.26 Lakhs. The assessing officer imposed a penalty and interest. BIBA Apparels Private Limited appealed in tha matter and the penalty was waived. BIBA Apparels Private Limited IS required to pay the interest.

C. SSIPL Retail Limited

Civil Cases

Cases filed against SSIPL Retail Limited

1. A civil case has been filed by M.S. Bindra in relation to the dispute arising out of a leave and

license agreement with Nike shoes. The amount involved in the matter is Rs. 70.00 Lakhs. The matter is currently pending.

2. A civil case has been filed by Abhay Realtors in relation to the dispute arising out of a rent agreement for a shore store in Kolkata. The amount involved in the matter is Rs. 85.52 Lakhs. The matter is currently pending.

3. A demand notice was issued by the Sports Authority of India seeking payment for arrears of rent and electricity. The matter is pending for service of fresh notice before the Estate Officer, Sports Authority of India. The amount involved in the matter is Rs. 2.26 Lakhs.

4. Two separate consumer complaints have been filed by certain person on grounds arising from complaints with a Nike sweater and a pair of Nike shoes respectively. The amount involved aggregates to Rs. 1.23 Lakhs. The matter is currently pending.

5. A case has been filed by the High Street for alleged manufacturing dispute of certain products. The amount involved in the matter is Rs. 13.03 Lakhs. The matter is currently pending.

6. Four separate labour cases have been filed before various forums on grounds including inter alia recovery of dues arising out of termination of a bus service. The amount aggregated to Rs. 15.25 Lakhs. The matters are pending at various stages of adjudication

D. Capital Foods Exportts Private Limited

1. An appeal has been filed before the Income Tax Appellate Tribunal by Capital Foods Exportts Private Limited aggrieved by an order passed by CIT, Mumbai for disallowing the deduction claimed in connection with the income of assessment year 2007-08. The amount involved in the matter is Rs. 6.69 Lakhs. The matter is currently pending.

E. Turtle Limited

1. An appeal has been filed before the Commissioner of Central Excise- Appeals, Kolkata on grounds of being aggrieved by an order passed by the Additional Commissioner of Central Tax –II, Kolkata dated November 27, 2008 in a matter of under section 35 F of the Central Excise Act, 1944. The amount involved in the matter is Rs. 50.03 Lakhs.

2. An appeal has been filed in 2009 before the Senior Joint Commissioner Sales Tax, Kolkata for the assessment year 2005-2006. The amount involved in the matter is Rs. 103.47 Lakhs.

3. An appeal has been filed in 2009 before the Senior Joint Commissioner Sales Tax, Kolkata for the assessment year 2006-2007. The amount involved in the matter is Rs. 175.77 Lakhs.

F. Celio Future Fashion Limited

Nil

G. Holli Accessories Private Limited

Nil

Material Developments

In the opinion of the Board, there has not arisen, since the date of the last audited financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company on a consolidated basis or the value of our consolidated assets or our ability to pay our material liabilities within the next twelve months except for certain agreements entered into by the Company. For a description of the material terms of such agreements, please see the section entitled "History and Certain Corporate Matters – Material Agreements" on page 99.

GOVERNMENT APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any government or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals to carry on the Business

1. The Company was granted Certificate of Registration, bearing registration no. 07.00137, dated March 9, 1998 by the RBI under section 451A of RBI Act, 1934 to commence/ carry on the business of a NBFC without accepting public deposits. The Company was granted a fresh Certificate of Registration dated June 18, 2007 pursuant to change of name bearing registration no. 07.00137. The Company was again granted a fresh Certificate of registration dated October 9, 2007 pursuant to the change of name to Future Ventures India Limited bearing registration no. 07.00137. The Company was granted a fresh certificate of registration dated August 13, 2009 bearing registration no. B- 13.01945 by RBI, Mumbai consequent to shifting of the Registered Office of the Company from the State of Tamil Nadu to the State of Maharashtra. The Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company. Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the Reserve Bank of India and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the deposit amount to any depositor.

2. Letter no. DNBS.MRO.CMD.7806/02.13.001/2009-10 dated March 31, 2010 issued by the Reserve Bank of India granting extension of exemption from paragraph 18(1) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 till March 31, 2011, relating to exemption from the single party/ group exposure norms for loan/ investments subject to the satisfaction of the following conditions:

   (i) The company should not be accessing public funds both directly and indirectly through public deposits, commercial papers, debentures, Inter Corporate Deposits and bank finance during the period of exemption.

   (ii) The company should comply with prudential norms to the extent applicable.

   (iii) The company should comply with the RBI Act and directions issued thereunder.

   (iv) Subject to review, the exemption is granted till March 31, 2011.

   (v) The exemption would stand automatically withdrawn if any of the terms are violated.

3. Letter (no. 47/115/2009/CL-III) dated March 16, 2009 issued by the Ministry of Corporate Affairs granting exemption of attaching certain particulars to the balance sheet of Aadhaar Retailing Limited, Star Shopping Centers Private Limited, Indus League Clothing Limited and Indus Tree Crafts Private Limited for the fiscal year 2010.

4. Permanent Account Number (PAN) of the Company as issued by the Income Tax Department is AABCS0279B.

5. Service Tax Registration number of the Company, as issued by the Central Excise Officer is AABCS0279BST002.

6. Tax Deduction Number (“TAN”) of the Company, as issued by the Income Tax Department is MUMF05770C.

7. Taxpayer Identification Number (TIN) of the Company, as issued by the Income Tax Department is S AABC0279B.

8. The Company has obtained registration (no. 760024286) under the Bombay Shops and Establishments Act, 1948 for FCH House, Peninsula Corporate Park, G K Marg, Lower Parel, Mumbai – 400 013 on October 11, 2007. The certificate was renewed on December 16, 2009 and is valid until December 31, 2010. The Company has also obtained registration (no.760126882) for 52, Kalpataru Synergy, Opp. Hotel Grand Hyatt, Vakola, Santacruz (East) Mumbai – 400 055 on February 11, 2010.

Pending Approvals

The Company has applied for the registration of its trade mark under classes 16, 35, 36, 39 and 42.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to resolutions dated July 12, 2010 and August 10, 2010 authorised the Issue.

The shareholders of the Company have authorised the Issue pursuant to a special resolution dated August 10, 2010 under Section 81(1A) of the Companies Act.

The Company proposes to make an application to the FIPB, for allowing for eligible non-resident investors, i.e. FIIs, NRIs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions and other eligible foreign investors to participate in this Issue subject to any conditions that may be prescribed by the FIPB in this regard.

Prohibition by SEBI

The Company, its Promoters, its Directors, Promoter Group entities and Group Companies and natural persons behind our corporate Promoters have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

The companies, with which Promoters, Directors or persons in control of the Company are associated as promoters, directors or persons in control have been have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Details of the entities that the Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same, have been provided to SEBI.

Prohibition by RBI

Neither the Company nor its Promoter, the relatives of Promoter (as defined under the Companies Act) or the Group Companies have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with standalone financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- The Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three out of the immediately preceding five years;
- The Company has a net worth of at least Rs. 10 million in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company; and
- The Company has not changed its name within the last one year.

The Company’s net profit, dividend, net worth, net tangible assets and monetary assets derived from the financial information included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2010 are set forth below:

(In Rs. Lakhs)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Distributable Profits[(1)]	1,325.51	(1,012.50)	(431.48)	0.81	0.27
Net Worth[(2)]	57,870.65	35,455.13	35,967.63	44.12	42.96
Net Tangible assets[(3)]	57,870.65	35,455.13	35967.63	44.12	42.96
Monetary assets[(4)]	1,134.96	715.37	128.39	34.95	27.21
Monetary assets as a percentage of the net tangible assets	1.96%	2.02%	0.36%	79.22%	63.34%

(1) 'Distributable profits' have been defined in terms of Section 205 of the Companies Act.
(2) 'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.
(3) 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 notified by the Government of India under Companies (Accounting Standards) Rules, 2006.
(4) Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.

Further, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 13, 2010 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS (IN CASE OF A BOOK BUILT ISSUE) / DRAFT PROSPECTUS (IN CASE OF A FIXED PRICE ISSUE) / LETTER OF OFFER (IN CASE OF A RIGHTS ISSUE) PERTAINING TO THE SAID ISSUE;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH AND NOTED FOR COMPLIANCE.</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT**

PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOTED FOR COMPLIANCE.

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

    (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai at Maharashtra, in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Caution - Disclaimer from the Company, the Directors, the BRLMs and the CBRLMs

The Company, the Directors, the BRLMs and the CBRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLMs and the CBRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLMs, the CBRLMs and the Company and the Underwriting Agreement to be entered into between the Underwriters and the Company.

All information shall be made available by the Company, the BRLMs and the CBRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Underwriters are liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

The BRLMs, the CBRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, the Company and its Group Companies, affiliates or associates or third parties in the ordinary course of business and have engaged and its Group Companies, or may in future engage, in commercial banking and investment banking transactions with the Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (*viz.* FVCIs, multilateral and bilateral development financial institutions). Participation by eligible non-resident investors shall be subject to approval by the FIPB. For further details, please see the section entitled “Authority for the Issue” on page 296. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the ROC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the ROC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the ROC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with the ROC at the Office of the Registrar of Companies, Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares, [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it, *i.e.* from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of finalisation of the Bid/ Issue Closing Date.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers, Co-Book Running Lead Managers and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisor to the Issue, to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act and SEBI Regulations Deloitte Haskins & Sells, Chartered Accountants, the Company's statutory auditors, have given their written consent to the inclusion of their standalone and consolidated reports both dated August 10, 2010 and statement of the tax benefits dated July 28, 2010 in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not be withdrawn up to the time of submission of the Draft Red Herring Prospectus with SEBI.

Experts to the Issue

Except the report of the Auditors dated August 10, 2010 and the statement of tax benefits dated July 28, 2010 provided by Deloitte Haskins & Sells and the report of [●] in respect of the IPO grading of this Issue annexed herewith to this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For further details of Issue related expenses, please see the section entitled "Objects of the Issue" on page 37.

The listing fee and all expenses with respect to the Issue will be borne by the Company.

Fees Payable to the BRLMs, the CBRLMs and the Syndicate

The total fees payable to the BRLMs, the CBRLMs and the Syndicate will be as per the engagement letters issued by the Company, copies of which are available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar to the Issue

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement between the Company and the Registrar to the Issue dated August 10, 2010, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the inception of the Company.

Particulars regarding public or rights issue during the last five years

The Company has not made any public or rights issue during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the sections entitled "Capital Structure" on page 29 and "History and Corporate Matters" on page 95, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of the Company

Future Capital Holdings Limited had undertaken an initial public offering ("FCH IPO") of its equity shares in January 2008 for an amount aggregating Rs. 49,134.42 Lakhs. The proceeds of FCH IPO were utilised for the objects stated in the prospectus dated January 17, 2008. The equity shares of FCH were credited to the demat account of the members on January 30, 2008. For the fiscal year 2010, FCH shall pay a dividend of Rs. 1 per share as resolved in the board meeting dated August 9, 2010.

Details of public/ rights issue

Galaxy Entertainment Corporation Limited made an initial public offering of equity shares of having a face value of Rs. 10 each that took place in 1987. The details of the same are not available with this company.

During the quarter ended June 30, 2010, Galaxy Entertainment Corporation Limited has no outstanding complaints from the shareholders regarding change of address, non receipt of dividend warrants, non receipts of balance sheet, etc.

The details of the IPO undertaken in the past by Galaxy Entertainment Corporation Limited are not available.

Promise vis-à-vis Performance – Public/ Rights Issue of the Company and/ or listed Subsidiaries, Group Companies and associates of the Company

Future Capital Holdings Limited had undertaken an initial public offering ("FCH IPO") of its equity shares in January 2008 for an amount aggregating Rs. 49,134.42 Lakhs. The proceeds of FCH IPO were utilised for the objects stated in the prospectus dated January 17, 2008.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares as of the date of filing this Draft Red Herring Prospectus.

Stock Market Data for the Equity Shares of the Company

This being an initial public offering of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the relevant SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

The Company estimates that the average time required by the Company, or the Registrar to the Issue or the SCSBs in case of ASBA Bidders for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has constituted a Shareholders'/ Investor Grievance Committee comprising of Anand Balasundaram as Chairman and Kishore Biyani as member.

The Company has also appointed Manoj Gagvani, Company Secretary of the Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Manoj Gagvani
Company Secretary and Head-Legal
Knowledge House,
Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (E),
Mumbai 400 060

Changes in Auditors in the last three years

There has been no change in the auditors of the Company during the last three years.

Capitalisation of Reserves or Profits

The Company has not capitalised its reserves or profits during the last five years, except as stated in the section "Capital Structure" on page 29.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SCRR, the Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, ASBA Bid cum Application Form, the Revision Form, ASBA Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, ROC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of the Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section entitled "Main Provisions of the Articles of Association" on page 343.

Mode of Payment of Dividend

The Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act, the Articles and the provision of the Listing Agreements.

Face Value and Issue Price

The face value of the Equity Shares is Rs.10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and the Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section entitled "Main Provisions of the Articles of Association" on page 343.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. Pursuant to the SEBI Regulations, the trading of Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company, in consultation with the BRLMs, and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language at least two Working Days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar and Transfer Agents of the Company.

Further, any person who becomes a nominee shall, upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, the Company shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction.

Arrangement for disposal of Odd Lots

There is no arrangement for the disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares and Promoters, minimum contribution and Anchor Investor Lock-in in the Issue as detailed in the section entitled "Capital Structure" on page 29, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles of Association. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please see the section entitled "Main Provisions of the Articles of Association" on page 343.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating up to Rs. 75,000 Lakhs. The Issue will constitute [●]% of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the 100% Book Building Process.

	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion, if any) shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●]Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds. Rs.1,00,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs.1,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs.1,00,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples	[●] Equity Shares and in	[●] Equity Shares

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	of [●] Equity Shares thereafter.	multiples of [●] Equity Shares thereafter.	and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply [3]	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs.2,500 Lakhs, pension funds with minimum corpus of Rs.2,500 Lakhs in accordance with applicable law, and National Investment Fund and insurance funds set up and managed by the army, navy or air force of the Union of India. The Company proposes to make an application to the FIPB for allowing eligible non-resident investors to participate in the Issue subject to any conditions that may be prescribed by the FIPB in this regard. In the event the Company does not receive the FIPB approval, eligible non-resident investors will not be able to participate in the Issue.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)
Terms of Payment	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate	Amount shall be payable at the time of submission of Bid cum Application	Amount shall be payable at the time of submission of Bid

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	Members. (except for Anchor Investors)[4]	Form. [4]	cum Application Form.[4]
Margin Amount	Full Bid Amount on Bidding	Full Bid Amount on Bidding	Full Bid Amount on Bidding

(1) *The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled "Issue Procedure" on page 312.*

(2) *Subject to valid Bids being received at or above the Issue Price. This Issue is made in accordance with Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), as amended under the SEBI Regulations where the Issue will be made through the 100% Book Building Process wherein not more than 50% of the Issue will be allocated on a proportionate basis to QIB. Out of the QIB Portion (excluding the Anchor Investor Portion) 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBS and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the QIB Portion, the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill-over from other category or a combination of categories, at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

(3) *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

(4) *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLMs and the CBRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification. The Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●]***
BID/ISSUE CLOSES ON	**[●]****

***** *The Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one*

Working Day prior to the Bid/ Issue Opening Date.
*** The Company may consider closing the Bid/Issue Period for QIB Bidders one day prior to the Bid/Issue Closing Date.*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the Bidder may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, *i.e.*, Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs and the CBRLMs to the Stock Exchange within half an hour of such closure.

The Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side *i.e.* the floor price can move up or down to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs, the CBRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders, other than Anchor Investors can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

This Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue will be allocated to QIBs on a proportionate basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

All Bidders, other than the ASBA Bidders, are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form**
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as Non ASBA Bidders)	[●]
Eligible NRIs FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as Non ASBA Bidders)	[●]
Anchor Investors*	[●]

**Bid cum Application forms for Anchor Investors have been made available at the offices of the BRLMs and the CBRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA process.

Upon filing the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to the Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 2,500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 2,500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund; and

- Insurance funds set up and managed by the army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLMs, the CBRLMs and the Syndicate Members

The BRLMs, the CBRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs, the CBRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLMs, the CBRLMs and any persons related to the BRLMs or the CBRLMs or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs applying on a repatriation basis at the Registered Office of the Company, with the Syndicate and the Registrar to the Issue.

2. Eligible NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the total post-Issue paid up share capital (*i.e.* 10% of [●] Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the Company's total paid up share capital or 5% of the Company's total paid up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of its total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to

100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “SEBI FII Regulations”), an FII, as defined in the SEBI FII Regulationsdeal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. A FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs, the CBRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or on or an interest in, the Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and foreign venture capital investors can invest only up to 33.33% of the investible funds by way of subscription to an IPO of a venture capital undertaking whose shares are proposed to be listed.

The above information is given for the benefit of the Bidders. The Company, the BRLMs and the CBRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs,):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,000 Lakhs and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice.**

Information for the Bidders:

(a) The Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the ROC and also publish the same in two national newspapers (one each in English national daily and Hindi national daily) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.

(b) The Company will file the Red Herring Prospectus with the ROC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.

(d) Copies of ASBA Bid cum Application Forms will be available for downloading and printing, from website of the Stock Exchanges (which provide electronic interface for ASBA facility). A unique application number will be generated for every ASBA Bid cum Application Form downloaded and printed from the websites of the Stock Exchanges.

(e) Any Bidder (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of the Company.

(f) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders (other than ASBA Bidders) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders (other than Anchor Investors) applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

The applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with PAN, the DP ID and Client ID available in the settlement depository database, the application is liable to be rejected. With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Method and Process of Bidding

(a) The Company, in consultation with the BRLMs, will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in [●] edition of [●] in the English language, [●], [●] edition in the Hindi language, [●] and [●] edition in the Marathi language, [●] at least two Working Days prior to the Bid/ Issue Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and the CBRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs and the CBRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in the section entitled "Issue Procedure - Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" on page 318.

(i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) The Company, in consultation with the BRLMs, and without the prior approval of, or intimation, to the Bidders reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side *i.e.* the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) The Company, in consultation with the BRLMs, will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(c) The Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the section entitled "Issue Procedure - Payment Instructions" on page 327.

Electronic Registration of Bids

(a) The members of the Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Members and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to the Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs and the CBRLMs on a regular basis.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Bid cum Application Form number.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- PAN.
- DP ID and client identification number of the beneficiary account of the Bidder.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Cheque Details.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the Designated Branches of the SCSBs shall enter the following information pertaining to the ASBA Bidders into the on-line system:

- Name of the ASBA Bidder(s);
- Application Number;
- PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
- Investor Category and Sub-Category:

Retail	Non- Institutional	QIB
(No sub category)	• Individual • Corporate • Others	• Mutual Funds • Financial Institutions • Insurance companies • Foreign Institutional Investors other than corporate and individual sub-accounts • Others

- DP ID and client identification number;
- Beneficiary Account Number of Equity Shares Bid for ;
- Quantity;
- Bid Amount; and
- Bank account number.

(g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the members of the Syndicate or the Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders only the BRLMs and the CBRLMs and their respective affiliate Syndicate members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed on page 331. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the BRLMs and/ or the CBRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depositories record.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs and the CBRLMs at the end of the Bid/Issue Period.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed Rs. 1,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds Rs. 1,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) The Company, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, the Company, in consultation with the BRLMs, shall finalise the Issue Price.

(b) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the QIB Portion, the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill-over from other category or a combination of categories, at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs, subject to the compliance with the SEBI Regulations.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

(f) The Basis of Allotment shall be put up on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and ROC Filing

(a) The Company, the BRLMs, the CBRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the Company will update and file the updated Red Herring Prospectus with the ROC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

The Company will issue a statutory advertisement after the filing of the Prospectus with the ROC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the members of the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

(c) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and Revised CANs" as set forth under section entitled "Issue Procedure" on page 312.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Company and the BRLMs, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and/or a revised Anchor Investor Allocation Notice, as the case may be. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company will ensure the credit to the successful Bidder's depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g) Ensure that you request for and receive a TRS for all your Bid options;

(h) Ensure that full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to Bid Amount are blocked in case of Bids submitted through SCSBs;

(i) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the Income Tax Act;

(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(n) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSB, only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not Bid for a Bid Amount exceeding Rs. 1,00,000 (for Bids by Retail Individual Bidders);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

3. Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

4. For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 1,00,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] that the Bid Amount exceeds or equal to Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

6. For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 1,000 Lakhs and in multiples of [•] Equity Shares thereafter.

7. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs, the CBRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND

BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than the ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither the Company, the Escrow Collection Banks, the Registrar, the BRLMs, the CBRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 1,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

The Company proposes to make an application to the FIPB for allowing eligible non-residents to participate in the Issue, subject to any conditions that may be prescribed by FIPB. In event that the Company does not receive the FIPB approval, eligible non-resident investors will not be able to participate in the Issue.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

The Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collection from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or, (for Anchor Investors) remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

   (b) In case of Non-Resident QIB Bidders: "[●]"

   (c) In case of Resident Retail and Non-Institutional Bidders: "[●]"

   (d) In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange

in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. On the Designated Date and no later than 10 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

12. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories, In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters *i.e.* commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The Bids with the same name and same address will be treated as multiple Bids.

5. The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**. **With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.**

REJECTION OF BIDS

In case of QIB Bidders, the Company, in consultation with the BRLMs and the CBRLMs, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bids made by ASBA Bidders by the SCSB, the Company would have a right to reject the Bids by ASBA Bidders only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- PAN not mentioned in the Bid cum Application Form;

- GIR number furnished instead of PAN;

- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the Floor Price;

- Bids at a price more than the Cap Price ;

- Signature of sole and/or joint Bidders missing;

- Submission of more than five ASBA Bid cum Application Forms per bank account;

- Submission of Bids by Anchor Investors through ASBA process;

- Bids at Cut-off Price by Non-Institutional and QIB Bidders;

- Bids for number of Equity Shares which are not in multiples of [•];

- Category not ticked;

- Multiple Bids as defined in the Draft Red Herring Prospectus;

- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- Bids accompanied by stockinvest/money order/postal order/cash;

- Bid cum Application Forms does not have the stamp of the BRLMs, the CBRLMs or Syndicate Members or the SCSB;

- Bid cum Application Forms do not have the Bidder's depository account details;

- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity

(DP ID) and the beneficiary's account number;

- With respect to Bids by the ASBA Bidders, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLMs or the CBRLMs or in case of ASBA Bids for QIBs (other than Anchor Investors) not intimated to the BRLMs or the CBRLMs;
- Bids by persons in the United States other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar:

- Agreement dated March 13, 2008 between NSDL, the Company and the Registrar to the Issue;
- Agreement dated March 14, 2008, between CDSL, the Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches of the SCSBs, Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, the BRLMs, the CBRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form shall be eligible to receive refunds through direct credit. Charges, if any, levied by the

Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 1 Lakh, have the option to receive refund through RTGS Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, the Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two Working Days of the date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the

Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- The Company shall pay interest at 15% per annum for any delay beyond the 12 Working Days from the Bid/Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-

Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    1. In the event that the oversubscription in the QIB Portion, (excluding Anchor Investor Portion), all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    2. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding Anchor Investor Portion).

    3. Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:
  - not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  - one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
  - allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to Rs. 25,000 Lakhs and minimum number of five Anchor Investors for allocation more than Rs. 25,000 Lakhs.
- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs and CBRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, the Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
   - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Company, in consultation with the BRLMs.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	20,000 Lakhs equity shares
2.	Allocation to QIB (50%)*	10,000 Lakhs equity shares
3.	Anchor Investor Portion	3,000 Lakhs equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	7,000 Lakhs equity shares
	Of which:	
	a. Allocation to MF (5%)	350 Lakhs equity shares
	b. Balance for all QIBs including MFs	6,650 Lakhs equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	50,000 Lakhs equity shares

* *Where 50% of the Issue size is required to be allocated to QIBs.*

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Lakhs)
1.	A1	5,000
2.	A2	2,000
3.	A3	13,000
4.	A4	5,000
5.	A5	5,000
6.	MF1	4,000
7.	MF2	4,000
8.	MF3	8,000
9.	MF4	2,000
10.	MF5	2,000
	Total	**50,000**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. **Details of Allotment to QIB Bidders/ Applicants**

(Number of equity shares in Lakhs)

Type of QIB bidders	Shares bid for	Allocation of 350 Lakhs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 6,650 Lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	500	0	665	0
A2	200	0	266	0
A3	1,300	0	1,729	0
A4	500	0	665	0
A5	500	0	665	0
MF1	400	70	532	602
MF2	400	70	532	602
MF3	800	140	1,064	1,204
MF4	200	35	266	301
MF5	200	35	266	301
	5,000	**350**	**6,650**	**3,010**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section entitled "Issue Structure" on page 308.

2. Out of 7,000 Lakhs equity shares allocated to QIBs, 350 Lakhs (*i.e.* 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 2,000 Lakhs equity shares in QIB category.

3. The balance 6,650 Lakhs equity shares (*i.e.* 700-35 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 5,000 Lakhs equity shares (including five MF applicants who applied for 2,000 Lakhs equity shares).

4. The figures in the fourth column entitled "Allocation of balance 6,650 Lakhs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (*i.e.* in column II) X 665 / 4,965.

   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (*i.e.* in column II of the table above) less Equity Shares allotted (*i.e.*, column III of the table above)] X 79.80 / 495.80.

   - The numerator and denominator for arriving at allocation of 6,650 Lakhs shares to the 10 QIBs are reduced by 350 Lakhs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by

"Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar

The Company agree that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 12 Working Days from the Bid/ Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY THE COMPANY

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the Promoters' contribution in full wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in *pro rata* basis before the calls are made on public;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangements shall be made to collect all ASBA Bid cum Application Forms and to consider

them similar to non-ASBA applications while finalising the Basis of Allotment.

The Company shall not have recourse to the Net proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date. In such an event, the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Utilisation of Issue Proceeds

The Board of Directors certifies that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- The utilisation of monies received under Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

- The details of all unutilised monies out of the funds received under Promoters' contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI, as notified through press notes and press releases issued from time to time, and FEMA and circulars and notifications issued thereunder. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the shares is not less than the price at which the shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company and the BRLMs and the CBRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the Articles of Association of Future Ventures India Limited.

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Table 'A'

The Regulations contained in Table "A" in Schedule I to the Companies Act, 1956 shall apply to the Company except in so far as otherwise expressly incorporated hereinafter.

Share Capital

Article 3 provides that

3.1 The authorized share capital of the Company shall be such amount which may be stipulated in Clause V of the Memorandum of Association, with the Board, with the sanction of the Company in a General Meeting by ordinary resolution, having the power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by the Board in its sole discretion in accordance with these Articles and subject to the provisions of the Companies Act and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by these Articles or subject to the provisions of the Companies Act.

3.2. The Board may from time to time, increase the authorized share capital of the Company by such sum to be divided into shares of such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution and if no directions be given as the Board may determine.

3.3. The Company may, subject to the provisions of Sections 100 to 105 of the Companies Act reduce in any manner, from time to time,

a. by special resolution its share capital;

b. any capital redemption reserve fund or any securities premium account.

3.4 Subject always to the provisions of these Articles, the shares shall be under the control of the Board and the Board may allot, grant, have option over or otherwise deal with or dispose of them to any Person any shares on such terms and conditions, as Board may deem fit.

3.5 Subject to the provisions of these Articles, the Company shall have power to alter the conditions of the Memorandum relating to share capital as follows, that is to say that it may -

(a) increase its share capital by such amount as it thinks expedient by issuing new shares;

(b) consolidate and divide all or any of its share capital into shares of larger denomination than its existing shares;

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that, in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share, from which the reduced share is derived;

(d) cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the shares as cancelled, provided, however, that the cancellation of shares in pursuance of the exercise of this power shall not be deemed to be a reduction of share capital within the meaning of the Act.

SHARES

Article 4 provides that

4.1 Subject to the provisions of Section 81 of the Companies Act and these Articles, the share capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Companies Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board deem fit, and may issue and allot shares in the share capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided, however, that the option or right to call for shares shall not be given to any Person without the sanction of the Company in a General Meeting.

4.2 An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every Person who, thus or otherwise agrees to accept in writing the shares and whose name is entered on the register of Members shall for the purpose of these Articles, be a shareholder.

4.3 If by the conditions of allotments of any shares, the whole or a part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being and from time to time shall be the registered holder of the shares of his heirs, executors, administrators and legal representatives.

4.4 Every Member or his heirs, executors, assignees or other representatives shall pay to the Company the portion of the share capital represented by his share or shares which may for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall, from time to time, in accordance with the Company’s regulations require or fix for the payment thereof and so long as any moneys are due, owing and unpaid to the Company by any Member on any account. However, such Member in default shall not be entitled at the option of the Board, to exercise any rights or privileges available to him.

4.5 If any shares stand in the name of two or more Persons, the one first named in the register of Members shall as regards receipt of dividend bonus or service of notice and all or any other matters connected with the Company, except voting at Meetings and the transfer of shares, be deemed the sole-holder thereof but joint – holder of shares shall be severally as well as jointly liable for the payment of the installments and calls in respect of such shares and for all incidents thereof according to the Company’s regulations.

Any Debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with a right of conversion into or allotment of shares shall be issued only with consent of the Company in General Meeting by special resolution.

CALLS ON SHARES

Article 5 provides that

5.1 The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by installments.

5.2 Fifteen days notice in writing of any call shall be given by the Board specifying the time and place of payment, and the Person to whom such call shall be paid.

5.3 A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board. A call may be revoked or postponed at the discretion of the Board.

5.4 The option or right to call of shares shall not be given to any Person except with the sanction of the Company in a General Meeting.

5.5 The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

5.6 The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who, the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.

5.7 If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

5.8 Any sum, which may be the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

5.9 On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member, in respect of whose shares, the money is sought to be recovered appears entered on the register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the Meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

5.10 Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the

Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

a. The Board may, if they think fit, subject to the provisions of Section 92 of the Companies Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof, as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Member paying the sum in advance and the Board agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provision of this Article shall mutatis mutandis apply to the calls on Debentures of the Company.

FORFEITURE OF SHARES

Article 6 provides that

6.1 The notice aforesaid shall:

(a) name further day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid; and

(b) state that in the event of non-payment on or before the day so named at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

6.2 If the requirements of any such notice as aforesaid are not complied with, any shares, in respect of which the notice has been given, may, at any time thereafter before the payment required by the notice has been made, be forfeited by the resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture

6.3 When any shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of Members but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

6.4 Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off on such terms and in such manner, as the Board may think fit.

6.5 At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms, as it thinks fit.

6.6 A Person, whose shares have been forfeited, shall cease to be the Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys, all calls, or installment, interest and expenses, owing in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

6.7 The forfeiture of a share involves extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.

6.8 A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale/ or disposition thereof shall constitute a good title to such shares; and the Person to whom any such share as sold shall be registered as the Member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

6.9 Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the Person, entitled thereto.

TRANSFER OF SHARES

Article 7 provides that

7.1 There shall be a common instrument of transfer which shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and the registration thereof.

7.2 Every instrument of transfer duly stamped must be accompanied by the certificate of shares proposed to be transferred and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares.

7.3 No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

7.4 Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).

7.5 The Board shall have power on giving seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of Members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

7.6 The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

7.7 Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has lien on shares.

7.8 The Company shall keep at its registered office, the register of Members and shall therein firmly and distinctly enter the particulars of every transfer or transmission of shares. Subject to the provisions of Section 154 of the Companies Act, the Board shall have power to close the register of Members for such periods, not exceeding forty five days in aggregate in a year and thirty days at any one time, as may seem expedient to them.

TRANSMISSION OF SHARES

Article 8 provides that

8.1 Every holder of shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Companies Act, a Person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder. Where the shares in, or Debentures of the Company are held by more than one Persons jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

8.2 Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any Person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

8.3 Any Person who becomes a nominee by virtue of the provisions of these Articles upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

a) to be registered himself as holder of the shares or Debentures, as the case may be;

b) to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made; or

c) if the nominee, so becoming entitled, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.

8.4 Subject to the provisions of Section 109 B (3) of the Companies Act and these Articles, the Board may register the relevant shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder, as the case may be.

8.5 A nominee on becoming entitled to shares or Debentures by reason of the death of the holder, or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to exercise any right conferred on a Member or Debenture holder in relation to Meetings of the Company.

8.6 The Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or Debentures, until the requirements of the notice have been complied with.

8.7 Subject to the provisions of these Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article of his title, act, as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder, provided nevertheless, that if such Person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

8.8 A Person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

FURTHER ISSUE OF SHARES

Article 9 provides that

9.1 Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued share Capital or out of the increased share Capital then:

(a) Such further shares shall be offered to the Persons who at the date of the offer, are holders of the shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on these shares at the date;

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, within such time will be deemed to have been declined;

(c) The aforesaid offer shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person and the notice referred to in sub-clause (b) shall contain a statement of this right.

d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the Person to whom such notice has been given that he declines to accept the shares offered, the Board may dispose off them in such manner and to such Personas they may think, in their sole discretion, fit.

9.2 Notwithstanding anything contained in Article 9.1 hereof, the further shares aforesaid may be offered to any Person (whether or not those Persons include the Persons referred to in clause (a) of Article 9.1 hereof) in any manner whatsoever.

(a) If a special resolution to that affect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote by the chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the central government is satisfied on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

9.3 Nothing in these Articles hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

9.4 Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company-

(i) To convert such Debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise)

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.

CERTIFICATE OF SHARES

Article 10 provides that

10.1 Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of applications of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue and deliver more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holders.

10.2 If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Board shall comply with such Rules or Regulation or requirements of any stock exchange or the Rules made under the Companies Act or the Rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.

The provisions of Article 10.2 shall *mutatis mutandis* apply to Debentures of the Company.

DEMATERIALISATION OF SECURITIES

Article 11 provides that

11.1 The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

a) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

b) Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a Person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

c) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

d) (i) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.

(ii) Save as required by Applicable Law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a Member of the Company.

e) Notwithstanding anything contained in the Companies Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

f) Nothing contained in Section 108 of the Companies Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

g) Notwithstanding anything contained in the Companies Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

h) Nothing contained in the Companies Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

i) The register of Members and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the register and index of Members and security holders for the purposes of these Articles.

LIEN

Article 12 provides that

12.1 The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed, the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien, if any, on such shares/Debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

PROCEEDINGS OF GENERAL MEETINGS

Article 13 provides that

13.1 The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. An Annual General Meeting shall be held within six months after the expiry of the Financial Year in which the first Annual General Meeting was held and thereafter, an Annual General Meeting of the Company shall be held within six months after the expiry of each Financial Year, provided that, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Companies Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held at the registered office or at some other place within the city in which the registered office is situated, as the Board may determine, and the notices calling the General Meeting shall specify it as the Annual General Meeting. The Company may in any Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business that concerns him as the auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report (if not already attached to the Audited statement of Accounts), the proxy register with proxies and the register of Directors' share holdings of which the latter register shall remain open and accessible during the continuance of the General Meeting. The Board shall cause to be prepared the annual list of Members, summary of the share capital, balance sheet and profit and loss account and forward the same to the Registrar of Companies in accordance with

Sections 159, 161 and 220 of the Companies Act.

13.2 The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the Paid-Up Equity Share Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

13.3 Any valid requisition so made by Members must state the objects of the Meeting proposed to be called and must be signed by the requisitionists and be deposited at the registered office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

13.4 Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a Meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value, of the Paid-Up Equity Share Capital of the Company as is referred to in Section 169(4) of the Companies Act, which ever is less, may themselves call the Meeting, but in either case, any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

13.5 Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which General Meetings are to be called by the Board.

13.6 Twenty-one days' notice at least or a shorter notice thereof subject however to the provisions of Sections 171, 190 and 219 of the Companies Act of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such Persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in the case of any other Meeting, with the consent of Members holding not less than 95 % of such part of the Paid Up Capital of the Company as gives a right to vote at the Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than

a) the consideration of the accounts, balance sheets and reports of the Board of Directors and auditors,

b) the declaration of dividend,

c) the appointment of Directors in place of those retiring,

d) the appointment of and fixing of remuneration of the auditors,

is proposed to be transacted then in that event there shall be annexed to the notice of the General Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every Director, and the manager (if any).

Where any such item of special business relates to or affects any other company, the extent of shareholding interest in other company of every Director and the manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty %of the Paid-Up Equity Share Capital of that other company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

13.7 The accidental omission to give any such notice as aforesaid to any of the Members or the non receipt thereof shall not invalidate the holding of the General Meeting or any resolution passed at any such General Meeting.

13.8 No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

13.9 A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Companies Act.

13.10 The chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary, if there be no such chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the Directors present may choose one of their Member to be the chairman of the meeting. If no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be chairman.

13.11 The chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned Meeting other than the business, left unfinished at the Meeting from which the adjournment took place. When a Meeting is adjourned for more than 30 days, notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned Meeting.

13.12 At any General Meeting a resolution put to vote at the Meeting shall be decided on a show of hands, unless a poll is before or on the declaration of the result of the show of hands, demanded by at least five Members having the right to vote on the resolution and present in person or by proxy, or by the chairman of the Meeting or by any Member or Members holding not less than one-tenth of the total voting power in respect of the resolution or by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right and unless a poll is demanded, a declaration by the chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

13.13 In the case of an equality of votes, the chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

13.14 If a poll is demanded as aforesaid, the same shall, subject to these Articles be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

13.15 Where a poll is to be taken, the chairman of the Meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting provided such Member is available and willing to be appointed. The chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizer from such removal or from any other cause.

13.16 Any poll duly demanded on the election of chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.

13.17 The demand for a poll except on the questions of the election of the chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

13.18 Subject to these Articles, the quorum for a General Meeting shall be five shareholders present in Person or by attorney. If the quorum is not present within half hour of the scheduled time for holding of the General Meeting, the Meeting shall be adjourned for two weeks and reconvened at the same time of the day and place and if such day is a public holiday then to the immediately succeeding day which is not a public holiday, and if at such rescheduled Meeting a is not present within thirty minutes of the time appointed for the Meeting, the shareholders present, being not less than the quorum, if any, prescribed under the Act, shall form the quorum for the General Meeting.

XIV VOTING RIGHTS

Article 14 provides that

14.1 No Member shall be entitled to vote either personally or by proxy/attorney, at any General Meeting or meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

14.2 Subject to Section 87 of the Companies Act and these Articles, and save as provided below, every Member holding any Preference Shares shall, in respect of such Preference Share capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his Preference Shares. Provided that any resolution for winding up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to Preference Shares within the meaning of this clause.

14.3 Subject as aforesaid, every Member holding any Preference Share capital in the Company shall, in respect of such capital, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid—

(i) in the case of cumulative Preference Shares, in respect of an aggregate period of note less than two years preceding the date of commencement of the Meeting; and

(ii) in the case of non-cumulative Preference Shares, either in respect of a period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the Meeting or in respect of an aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.

14.4 For the purposes of this clause, dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the company on such shares for such period or not,—

(a) on the last day specified for the payment of such dividend for such period, in the Articles or other instrument executed by the Company in that behalf; or

(b) in case no day is so specified, on the day immediately following such period;

(c) where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of this sub-section, his voting right on a poll, as the holder of such Preference Share, shall, subject to the provisions of section 89 and sub-section (2) of section 92 of the Companies Act, be in the same proportion as the capital paid up in respect of the Preference Share bears to the total paid-up equity capital of the Company.

14.5 Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member not disqualified by the last preceding Articles shall be entitled to be present in person or by proxy or by attorney and to speak and vote at such Meeting, and on a show of hands every Member present in person or through attorney shall have one vote and upon a poll the voting fights of every

Member present in person or by proxy or by attorney shall be in proportion to his shares of the Paid-Up Equity Capital of the Company. Provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the Companies Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares.

14.6 On a poll taken at Meeting of the Company a Member entitled to more than one vote, or his proxy or other Person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.

14.7 A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy, if any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the chairman of the Meeting.

14.8 If there be joint holders of any shares, anyone of such Person may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy or attorney in respect of such shares. The proxy so appointed shall not have any right to speak at the Meeting and, if more than one of such joint holders be present at any Meeting then one of the said Persons so present whose name stands higher on the register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holder(s) shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

14.9 Subject to the provisions of these Articles, votes may be given either personally or by proxy or by attorney. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Companies Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an Individual Member.

14.10 Any Person entitled to transfer any share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

14.11 Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.

14.12 An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

14.13 A Member present by proxy shall be entitled to vote only on a poll.

14.14 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarised copy of that power or authority shall be deposited at the Office not later than forty eight hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. 'No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

14.15 Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

14.16 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the Meeting.

14.17 No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy or by attorney, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

14.18 Notwithstanding any thing contained in the foregoing, the Company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no Meeting need to be held at a specified time and space requiring physical presence of Members to form a quorum. Where a resolution will be passed by postal ballot the Company shall, in addition to the requirements of giving requisite clear days notice, send to all the Members the following:

a) Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.

b) Postal ballot for giving assent or dissent, in writing by Members and

c) Postage prepaid envelope (by registered post) for communicating assents or dissents on the postal ballot to the Company with a request to the Members to send their communications within thirty days from the date of dispatch of notice.

14.19 The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Companies Act and the relevant Rules made thereunder.

14.20 The chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

XV. MINUTES

Article 15 provides that

15.1 The Board shall respectively cause minutes of all proceedings of General Meetings and of all proceedings at meetings of the Board or of committee of the Board to be duly entered in Books to be maintained for that purpose in accordance with Section 193 of the Companies Act.

15.2 The minutes of each meeting shall contain:

(a) The fair and correct summary of the proceedings thereat

(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such Books shall be dated and signed by the chairman of the same meeting or in the event of the death or liability of that chairman within that period, by a Director duly authorised by the Board for the purpose.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The names of the Directors present at the meeting, in case of meeting of the Board or committee of Board.

(e) The names of the Directors, if any, dissenting from or not consenting to the resolution, in the case of each resolution passed at the meeting of Board or committee of Board.

(f) All appointments of officers made at any meeting.

(g) Any such minutes shall be evidence of the proceedings recorded therein.

(h) The Book containing the minutes of proceedings of General Meetings shall be kept at the registered office and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

XVI. THE BOARD

Article 16 provides that

16.1 Except as otherwise required by the Articles, all resolutions and decisions of the Board shall be by vote of a majority of the Directors present at a duly convened meeting of the Board. Except as otherwise required by the Articles of Association or the Act, any action which can be taken by the Board at a duly convened meeting may also be taken by a resolution by circulation as provided Article 17.6 below.

16.2. Constitution of the Board

(i) Until otherwise determined by a General Meeting of the Company, the number of Directors (excluding debenture and alternate Directors, (if any) shall not be less than three nor more than twelve.

(ii) Subject to Article 16.5, Mr. Kishore Biyani will be a permanent Director of the Company. Mr. Kishore Biyani will not be liable to retire by rotation notwithstanding anything to the contrary contained in any other clause in the Articles of Association.

(iii) If at any time the Company obtains any loan or any assistance in connection there with by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares or debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board, subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or directors, as the case may be, to the Board and to remove from office any director so appointed and to appoint another in his place or in the place of the director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the registered office. The Director or Directors so appointed shall not be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

(iv) If it is provided by the trust deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any director so appointed is herein referred to as **"**Debenture Director**"**. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation and shall continue in office for so long as the debentures are not redeemed.

(v) If the Company at any time has a minimum paid up capital of Rupees five hundred Lakhs or such sum as may be prescribed and at least one thousand or more small shareholders, then the Company may, *suo motu* or upon requisition of not less than one-tenth of the total number of small shareholders, proceed to appoint a nominee from among the small shareholders as a Director of the Company. The small shareholders' director shall before his appointment, file his consent to act as a Director, in writing to the Company and the tenure of such appointment shall be three years at a time without retirement by rotation, but shall be eligible for reappointment for another tenure. He shall, however, not be appointed as Managing Director or whole time director under any circumstances and shall be subject to the same disqualifications and shall vacate his office on the same grounds as are applicable to other Directors, in pursuance of these presents and the subject to the provisions of the Act. The Company shall follow such rules as may be prescribed by the Central Government in this behalf.

No small shareholders' director appointed in accordance with the provisions of this Article shall hold office at the same time as small shareholders' director in more than two companies.

Provided that the number of Director's liable to retire by rotation shall not be less than two-thirds of the total number of Directors.

(vi) In case the Company obtains any loans/other facilities from any financial institution(s) and it a term thereof that the said financial institutions shall have a right to nominate one or more Directors, then subject to such terms and conditions as may be agreed upon, the said financial institution(s) shall be entitled to nominate one or more Directors as the case may be, on the Board, and to remove from office any such Directors so appointed, and to nominate another in his place or in place of the Director so appointed who resigns or otherwise vacates his office. Any Director so appointed shall not be liable to retire by rotation. Any such nomination shall be in writing and shall be signed by the authority so appointing or by the person duly authorised by it, and shall be served at the registered office.

16.3 *Additional Directors* Subject to Applicable Law and these Articles, the Board shall have power, at any time and from time to time, to appoint any Person as a Director as an addition to the Board, but so that the total number of Directors shall not, at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company but shall be eligible for re-election at such Meeting.

16.4 *Alternate Directors* If any Director is reasonably expected to be or is absent for a period of not less than three calendar months from the state in India where the meetings of the Board are ordinarily held, at the request of the shareholder who has nominated such Director and failing such request from such shareholder, at the request of such Director, the Board shall, at a meeting of the Board or by circulation of a written resolution of the Board in accordance with Applicable Law, appoint, subject to Section 313 of the Companies Act, an Individual as an alternate Director to such Director (the "Alternate Director"). The Alternate Director shall be an Individual, and the shareholders shall cause their nominees on the Board to approve the appointment of such Individual as an Alternate Director. An Alternate Director so appointed shall vacate office if and when the absentee Director returns to the state in which meeting of the Board are ordinarily held or the absentee Director vacates office as a Director

16.5 *Removal of Directors*

(i) The office of a Director shall ipso facto be vacated if:

(a) he fails to obtain within two months after appointment as director, or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment; or

(b) he is found to be unsound mind by a court of competent jurisdiction; or

(c) he has applied to be adjudicated as an insolvent and his application is pending; or

(d) he is adjudged insolvent; or

(e) he is convicted by a court in India of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

(f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or

(g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or

(h) he whether by himself or by any person for his benefit or on his account, or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of the provisions of the Act; or

(i) he acts in contravention of any of the provisions of the Act; or

(j) he has been disqualified by an order of a court of competent jurisdiction under the provisions of the Act; or

(k) by notice in writing to the Company that he resigns his office; or

(l) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314 of the Companies Act and by operation of that section he is deemed to vacate the office.

(ii) Notwithstanding any matter or thing in Article 16.5 (i) (d), (e) and (j), the disqualification referred to in those sub-clauses shall not take effect:

(a) for thirty days from the date of adjudication sentence or order; or

(b) where an appeal or petition is preferred, within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or

(c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

(iii) Each of the shareholders having the right under these Articles to appoint a nominee Director shall be entitled to require removal of any or all of its nominee Directors on the Board and to have another or others of its choice nominated for appointment in the place of such removed Directors. For effecting the removal of any of its nominee Directors by a shareholder, such shareholder shall, only by written instructions addressed to the Board and other shareholders, duly signed by an authorised representative of such shareholder, requisition a General Meeting of the Company, and upon receipt of such notice, the Board shall promptly convene a General Meeting of the Company for the removal of such nominee Director.

16.6 *Remuneration* Subject to Applicable Law and these Articles, such of the Directors, as the Board may decide, may be paid such remuneration as may be decided by the Board for services rendered. Such remuneration may be either a fixed salary or a percentage of net profits or partly in one form and partly in the other and may also provide for perquisites to the Directors like food, medical benefit, club & school fees, etc. Further, the non-executive Directors may be paid sitting fees for attending the meetings of the Board or any committee thereof, as may be decided by the Board, for services rendered.

In addition to the above remuneration and perquisites payable to them the Directors may be paid all travelling, hotel and other expenses actually incurred by them in connection with their travel from and to their usual residence or from any other place where they might be present at the relevant time to attend the meeting of the Board of Directors or any committee thereof or to attend to some other business of the Company.

16.7 The continuing Directors may, notwithstanding any vacancy in the Board but so long as their number is not reduced below the number fixed as the necessary quorum for a meeting, increase the number of Directors or for the purpose of summoning a General Meeting of the Company, but for no other purpose.

16.8 *Casual Vacancies* Any casual vacancies occurring on the Board, including, but without limitation, as a result of death, resignation, removal or incapacity of any members of the Board, shall be filled by the Board at a meeting in accordance with Applicable Law, in accordance with the nomination made by the concerned shareholder. The Individual so appointed to fill such vacancy shall be an Individual nominated by the shareholder that had nominated the Director whose position is to be filled, and such Individual shall hold office until the date on which the Director in whose vacancy he is appointed would have held office had the vacancy not occurred.

XVII. MEETINGS OF THE BOARD

Article 17 provides that

17.1 *Meetings of Directors* The Directors shall meet at least once in every three months for the despatch of business and may adjourn and otherwise regulate their meetings and proceedings as they deem fit, provided that at least four such meetings shall be held in a year.

17.2 *Notice* Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other Director.

17.3 *Meeting through video-conferencing or tele-conferencing* Subject to applicable provisions of the Companies Act or any other Applicable Law, the Company shall have the power to hold a meeting of the Board, and any committees thereof, through video-conferencing or tele-conferencing.

17.4 *Quorum for Board Meeting* No business shall be transacted at any Board meeting unless a quorum is present at the meeting. In the first instance, the quorum for meetings of the Board shall be at least one- third of the Board, subject to Section 287 of the Companies Act. If within half an hour from the time appointed for a meeting, a quorum as aforesaid is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other later day and at such other time and place as the chairman may determine. If at such adjourned meeting also, a quorum is not present, the meeting shall stand adjourned for a further half an hour and if the quorum as aforesaid is still not present but the Directors present are at least one third of the Board, they shall constitute a quorum.

17.5 *Voting* Except as otherwise required by these Articles or the Companies Act, all resolutions and decisions of the Board shall be by vote of a majority of the Directors present at a duly convened meeting of the Board. Except as otherwise required by these Articles or the Companies Act, any action which can be taken by the Board at a duly convened meeting may also be taken by a resolution by circulation as provided in Article 17.6 below. Except the chairman, no Director shall have a second or a casting vote.

17.6 *Board Resolutions by Circulation* Subject to Applicable Law, a written resolution that has been circulated in draft to all Directors (together with the necessary documents, if any) and signed by a majority of Directors shall be a valid and effectual as if it is a resolution passed at a duly convened Board meeting. For the purposes of this Article "signed" shall include signature transmitted through facsimile.

17.7 *Powers of the Board* The property, business and affairs of the Company shall be managed exclusively under the supervision and direction of the Board save and except as the Applicable Law and these Articles may otherwise provide or allocate responsibility for any matter to any shareholder or Director or any other Person. The Board may exercise all such powers of the Company and have such authority and do all such lawful acts and things as are permitted by Applicable Law and the Company's Memorandum of Association and these Articles.

The Board shall exercise the following powers on behalf of the Company only by means of resolutions passed at meetings of the Board:-

(i) the power to make calls on shareholders in respect to money unpaid on their shares.

(ii) the power to issue Debentures.

(iii) the power to borrow moneys otherwise than on Debentures.

(iv) the power to make loans.

The Board may, from time to time and subject to the restrictions contained in Section 292 of the Act, delegate to a committee or committees consisting of one or more Directors, or to such managers, secretaries, agents, officers, assistants and other employees or other Persons as it may deem fit, any of the powers, authorities and discretion for the time being vested in the Directors and may, at its own discretion, revoke such powers, authorities and discretions.

Subject to provision of these Articles all deeds agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted or endorsed by the Persons authorised by the Board in this behalf.

Subject to the provisions of Sections 297 and 299 of the Act, no Director shall be disqualified, by virtue of his office, for Contracting with the Company, either as vendor or purchaser or otherwise, nor shall any Contract or arrangement entered into by or on behalf of the Company with a Director or any Company or partnership firm in which a Director is a member or otherwise interested be avoided nor shall any Director so Contracting or being such member or so interested be liable to account to the Company for any profit realized from any such Contract or any arrangement by reason only of such Director holding that office or of the fiduciary relationship thereby established, provided that he shall disclose the nature of his interest at the meeting of the Board at which the Contract or arrangement is determined, if his interest then exists or in any other case at the first meeting of Board after the acquisition of his interest.

17.8 *Notice By Interested Director* A general notice that the Director is a member of a specified firm or company shall, as regards any such transaction be sufficient disclosure under this article and after such general notice it shall not be necessary for the interested Director to give any special notice relating to any particular transaction with such firm or company.

XVIII. CHAIRMAN

Article 18 provides that

18.1 The Board shall appoint a chairman of its meetings and determine the period for which he is to hold office. If no chairman is appointed, or if at any meeting of the Board the chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose some one of their member to be the chairman of such meeting.

XIX. MANAGING DIRECTOR AND WHOLETIME DIRECTORS

Article 19 provides that

19.1 Subject to Applicable Law and provisions hereof, the Board may, appoint one or more Directors as the Managing Director (by whatever name called) for the management of the Company's affairs, for such period and on such terms as it deems fit. His/their appointment shall be automatically terminated if he/they cease to be Director/Directors. His/Their remuneration shall be decided by the Board from time to time.

19.2 The Managing Director shall be responsible for the conduct of the day-to-day management, business and affairs of the Company. The Managing Director shall undertake the management of the Company and perform all the administrative functions and other duties of the Company necessary for the effective transaction of its business with full powers to do all acts, matters and things deemed necessary, proper and expedient thereof and generally to exercise all the power and authorities of the Company except such of them as by the Act or any statutory modifications thereof for the time being in force or by these presents are or may be expressly directed to be exercised by the Company in a General Meeting or by the Board, provided that on subsequent regulation it shall not invalidate any prior act of the Managing Director which would have been valid if such regulation had not been made.

19.3 The Managing Director shall be delegated by the Board adequate power and authority to undertake, conduct and carry on the day-to-day management, Business and affairs of Company. The Managing Director shall report to and function subject to the supervision, direction and Control of the Board.

19.4 The Wholetime Directors shall act subject to the direction, supervision and control of the Board and shall report to the Managing Director. Their powers and duties shall be determined from time to time by resolution of the Board.

19.5 The term of office of the Managing Director and the Wholetime Directors shall be determined by a resolution of the Board but in no event shall the term be longer than five years, subject however, to renewal at the end of each such term.

19.6 Subject to Section 292 of the Act, and these Articles the Board may entrust to and confer upon the Managing Director any of powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw, alter, or vary all or any of such powers. The Managing Director shall have the following powers exercisable under the superintendence and Control of the Board until otherwise decided by the Company in a General Meeting.

(i) To purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorized to acquire and to sell, let exchange or otherwise dispose off or deal with all or any part of the property rights or privileges of the Company at such price and for such consideration and on such terms and conditions as he may deem expedient.

(ii) To enter into, carryout, rescind or vary all financial arrangement with banks, Persons, companies, corporations or other bodies for or in connection with the Business of the Company.

(iii) Subject to the limitations laid down by Board under Sections 58A and 292 of the Act, to raise or borrow, from time to time and at his discretion, any sums of money or make any arrangements for finance for the purpose of the Company and to secure the payment of, such sum or sums in such manner and upon such terms and conditions in all respects as he may think fit and in particular by making, drawing, accepting or endorsing on behalf of the Company any promissory notes or bills of exchange or by issuing receipts of the Company or by giving any security of the Company or by creating mortgage or charge overall or any part of the property of the Company.

(iv) To appoint from time to time and at his discretion, for the purpose of the, Company, managers, secretaries, agents, experts and other officers, clerks, servants and other employees of the Company on such terms and conditions as he may deem expedient and to determine their powers and duties and at his discretion to terminate the services of any one or more of them as he may deem expedient.

(v) To institute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or otherwise concerning the affairs of the Company and to act on behalf of the Company in all matters relating to any governmental agency or authority including those relating to taxation, licensing, excise and customs and in matters pertaining to the insolvency or liquidation and to apply for and obtain letters of administration, with or without a will, to the estate of Persons with whom the Company shall have dealings.

(vi) To make, draw, sign, accept, endorse, negotiate and otherwise execute on behalf of the Company all cheques, promissory notes, drafts, pay orders, bills of exchange, bills of lading and other documents of titles and securities including securities of Government of India and other promissory notes, Contracts transfer deeds and other instruments as shall be necessary in his opinion for carrying on the Business of the Company.

(vii) Subject to the over all limit fixed by the Board under Section 292 of the Act, to invest and deal with the moneys of the Company not immediately required for the purposes thereof in such securities or investments and in such manner as he thinks fit and from time to time, to vary or realize or otherwise deal, with such securities and investments.

(viii) To negotiate and enter into any Contract and execute, rescind or vary all such Contracts and do all acts, deeds and things in the name and on behalf of the aforesaid or otherwise for the Business of the Company.

XX. BORROWING POWERS

Article 20 provides that

20.1 Subject to Sections 58A and 292 and any other applicable provisions of the Companies Act or other Applicable Law and these Articles, the Board may from time to time guarantee, raise or borrow any sums of money for and on behalf of the Company from the Members or from other Persons, companies or banks or financial institutions, or the Directors may themselves advance money to the Company on such terms and conditions as may be approved by the Board, provided that the Board shall not without the sanction of the Company in a General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the Paid Up Capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

20.2 Subject to the provisions of Applicable Law and these Articles, the Board may from time to time secure the payment of such money in such manner and upon such terms and conditions as it thinks fit and in particular by the issue of Debentures or bonds of the Company or by mortgage or charge on all or part of the properties of the Company.

20.3 Any Debentures, Debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a special resolution.}

20.4 Save as provided in Section 108 of the Companies Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures.

20.5 If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor the notice of such refusal.

20.6 The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Companies Act, of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the

Companies Act in that behalf to be duly complied with by the Board.

20.7 The Company shall, if at any time it issues debentures, keep the register and index of debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch register of debenture-holders resident in that state or country.

XXI. DIVIDENDS AND RESERVES

Article 21 provides that

21.1 The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of capital paid-up on the shares held by them respectively.

21.2 Subject to the provisions of these Articles, the Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. However, the Company in a General Meeting may declare a smaller dividend.

21.3 Any General Meeting declaring a dividend may make a call on the Members of such amount as is decided at such Meeting. If the call on each Member does not exceed the dividend payable to him and the call is made payable at the same time as the dividend, the dividend may, if so arranged between the Company and the Member, be set off against the call.

21.4 No dividends shall be paid otherwise than in cash or out of the profits of the year or any other undistributed profits of earlier years and no dividends shall carry interest as against the Company. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.

21.5 Subject to the provisions of these Articles, the Board of Directors may, from time to time, pay to Members such interim dividends as appear to be justified by the profits of the Company.

(i) Subject to the rights of Persons if any, entitled to shares with special rights as to dividends, it shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividends are paid.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purposes of this Article as "paid on the share".

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividend accordingly.

21.6 The Board may, from time to time, before recommending any dividend, set apart such portion of the profits of the Company as they think fit as a reserve fund, equalization fund or depreciation fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company or for repairing, improving and maintaining any of the property of the Company, and for such other purposes of the Company as the Board in its absolute discretion may think prudent, and may invest the sum so set aside in such manner as it may think fit.

21.7 The Board of Directors may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

21.8 The Board of Directors may retain any dividend or other moneys payable in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

21.8 If the Company has not provided for depreciation for any previous Financial Year or years, it shall, before declaring or paying a dividend for any Financial Year, provide for such depreciation out of the profits of the Financial Year or years.

21.9 If the Company has incurred any loss in any previous Financial Year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits or the Company in the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Companies Act, or against both.

21.10 Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

21.11 A transfer of shares shall not pass the right to any dividend thereon before the registration of the transfer.

21.12 Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant or by a pay order or receipt having the force of a cheque or warrant, sent through internationally or nationally recognized courier, to the registered address of the Members or Person entitled or in case of joint shareholders to the registered address of that one of the joint shareholders who is first named on the register of Members or to such Person and to such address as the shareholders of the joint shareholders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque warrant, pay order or receipt lost in transmission or for any cheque or warrant or the forged signature of any pay order or receipt or the fraudulent recovery of the dividend by any other means.

21.13 Any one of two or more joint holders of a share may give effectual receipts for any dividends or other moneys payable in respect of such share.

21.14 No Member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other Person or Persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

21.15 Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend the Company shall within seven days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of Future Venture India Limited” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

21.16 Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund, established under Section 205C of the Companies Act.

21.17 No unclaimed or unpaid dividend shall be forfeited by the Board.

XXII. CAPITALISATION OF PROFITS

Article 22 provides that

22.1. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalize whole or any part of the amount for the time being standing to the credit of any of the Company’s reserve account or to credit to the profit and loss account, and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Securities Premium Account be capitalised and distributed among such of the Members as would be entitled to receive the same if distributed by way of dividend in the same proportions on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied on behalf of such Members in paying up in full any unissued shares or debentures of the Company, which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, so that such distribution or payment shall be accepted by such Members in full satisfaction of' their interest in the said capitalised sum. Provided that any sum standing to the credit of a Securities Premium Account or a Capital Redemption Reserve Fund may, in accordance with the applicable provisions of the Companies Act, for the purposes of these Articles, only be applied in the paying up of unissued shares to be issued to Members as fully paid bonus shares.

(ii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(a) Paying up any amount for the time being unpaid on any shares held by such Members;

(b) Paying up in full unissued shares of the Company to be allotted, distributed and credited as fully paid up;

(c) Partly in the way specified in sub-clause (a) and partly in the way specified in sub-clause (b) above.

(iii) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

The Company in a General Meeting may resolve that any surplus money arising from the realization of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company, be distributed among the Members.

22.2. The Board shall have power to:

(a) make such provision for the issue of fractional certificates or for payment in cash or otherwise as they think fit, in the event shares become distributable in fractions and also:

(b) accept authorization of any Person to enter on behalf of all the Members entitled thereto, into an agreement with the Company providing for allotment to them respectively as fully paid up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the paying up by the Company on their behalf by the application thereto, their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on these existing shares.

(c) An agreement as such shall be effective and binding on all such Members.

XXIII. ACCOUNTS

Article 23 provides that

23.1 The Board shall cause proper Books of accounts to be maintained under section 209 of the Companies Act.

23.2 The Board shall lay before each Annual General Meeting duly audited profit and loss account for the Financial Year and the balance sheet made upto the end of that year.

23.3 The Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company, of any Financial Year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the Directors in pursuant of these Articles shall be placed before the Members in the General Meeting for their consideration and approval.

XXIV. AUDIT

Article 24 provides that

24.1 The balance sheet and profit and loss account of the Company will be audited once a year by a qualified auditor for certification of correctness as per the provisions of the Companies Act.

24.2 Statutory auditors shall be appointed and their rights and duties regulated in accordance with the provisions of the Act.

24.3 The remuneration of the auditors shall be fixed by the Company in a General Meeting, or by the Board, if so decided at the General Meeting.

24.4 Any casual vacancy in the office of the statutory auditors may be filled by the Company in a General Meeting or by the Board, if so decided at the General Meeting.

XXV. INSPECTION

Article 25 provides that

25.1 The Books shall be open for inspection by any Director during business hours.

25.2 No Member (not being a Director) shall have any right to inspect any Books or accounts of the Company except as conferred by law or as authorized by the Board or by the Company in its General Meeting.

25.3 The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the Books shall be open to the inspection of Members, not being Directors.

25.4 Subject to the provisions of Section 209-A of the Companies Act, any Person, whether a Member or not, is entitled to inspect any register, return certificate, deed instrument or document required to be maintained by the Company, on his giving notice in writing of his intention, of not less than twenty four hours, be permitted to inspect the same during business hours.

25.5 Subject to the provisions of Section 154(1) of the Companies Act, close the register of Members or the register of debenture holders, as the case may be.

XXVI. COMMON SEAL

Article 26 provides that

26.1 The Board shall provide a common seal for the purpose of the Company, and shall have power from time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of a resolution of the Board or a committee of the Board.

26.2 Every deed or other instrument to which the seal of the Company is required to be affixed shall be signed by a Director and either by the Company Secretary or by any other Person authorized by the Board of Directors; provided nevertheless that certificates of shares shall be signed in accordance with the Companies (Issue of share certificate) Rules, 1960 and certificates of debentures may be signed by one Director, whose signatures on such certificates of shares or debentures, when so authorized by the Board may be affixed and reproduced by mechanical means.

26.3 Save as otherwise provided in the Companies Act or in these Articles, a document or any resolution passed by the Company or the board and any books of the Company requiring authentication by the Company many be signed by a Director or the Company Secretary or an authorised officer duly appointed for this purpose by the Board or a committee of the Board, and need not be under the Company's Seal.

XXVII. NOTICE

Article 27 provides that

27.1 Notice of documents may be given or served by the Company to any Member either personally or by sending it by post to him at his registered address or, if it has no registered address in India, at the address, if any which is supplied by him to the Company for the purpose of giving notice to him. All notices and communications shall be deemed received upon: (a) actual receipt thereof by the addressee; (b) actual delivery thereof to the appropriate address; or (c) in the case of a facsimile transmission, upon transmission thereof by the sender and the issuance by the transmitting machine of a confirmation slip confirming that the number of pages constituting the notice have been transmitted without error.

27.2 The Company shall comply with the provisions of Sections 51 and 53 of the Act.

XXVIII. WINDING UP

Article 28 provides that

28.1 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide among the Members, in specie or kind the whole or any part of the assets of the Company, whether they consist of property of the same kind or not.

28.2 For the purposes aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

28.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction, shall think fit, but such that no Member shall be compelled to accept any share or other securities where on there is any liability.

XXIX. CONFIDENTIALITY

Article 29 provides that

29.1 Subject to the provisions of the Act and these Articles, any Chairman, Director, Auditor, Managing Director or other officer of the Company and any trustee for the time being acting in relation to any affairs of the Company or their heirs and executors shall be entitled, if such Person thinks fit, to decline to answer any question by third parties concerning the business of the Company on the ground that the answer to such question would disclose or tend to disclose the secret of the Company.

29.2 No Person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or to discover any information respecting any details of the trading of the Company or of any matter which is or may be in the nature of a trade secret, mystery of trade or secret process, or of any matter whatsoever which may relate to the business of the Company, which in the opinion of the Board may not be in the interest of the Company to communicate.

XXX. INDEMNIFICATION

Article 30 provides that

30.1 Subject to Section 201 and any other applicable provisions of the Companies Act, every Chairman, Director, Auditor, Chairman/Managing Director or other officer of the Company and any trustees for the time being acting in relation to any affairs of the Company and their heirs and executors ("Indemnified Person") shall be indemnified out of the funds of the Company against all bona fide suits, proceedings, costs, charges, losses, damages or other liability that has been or may be incurred by such Indemnified Person, in the execution of their respective duties in their respective offices, except in relation to any acts of wilful neglect or default.

XXXI. LAW AND JURISDICTION

31.1 These Articles shall be governed by, interpreted and construed in accordance with the substantive laws of India, without regard to the conflict of laws provisions thereof.

31.2 Unless otherwise provided in the Act or any law for the time being in force, only courts in Mumbai shall have exclusive jurisdiction in all matters.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Draft Red Herring Prospectus delivered to the Registrar of Companies, Maharashtra at Mumbai for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office of the Company located from 10.00 a.m. to 4.00 p.m. on working days from the date of this Draft Red Herring Prospectus until the date of closure of the Issue.

A. Material Contracts to the Issue

1. Letter of Engagement dated August 12, 2010 for the appointment of Enam Securities Limited, JM Financial Consultants Private Limited and Kotak Mahindra Capital Company Limited as BRLMs.

2. Letter of Engagement dated August 12, 2010 for the appointment of Edelweiss Capital Limited and ICICI Securities Limited as CBRLMs

3. Issue Agreement dated August 13, 2010 between the Company, the BRLMs and the CBRLMs.

4. Agreement dated August 10, 2010 among the Company and the Registrar to the Issue.

5. Escrow Agreement dated [•] among the Company, BRLMs, CBRLMs, Escrow Collection Bank and the Registrar to the Issue.

6. Underwriting Agreement dated [•] among the Company, BRLMs, CBRLMs and the Syndicate Members.

7. Syndicate Agreement dated [•] among the Company, BRLMs, CBRLMs and the Syndicate Members.

7. Monitoring Agency Agreement dated [●] between the Company and [●].

B. Material Documents for Inspection

1. Certified copies of the updated Memorandum and Articles of Association of the Company as amended from time to time.

2. Certificate of Incorporation of the Company, as amended.

3. Copies of annual reports of the Company for last five years.

4. Board and the shareholder resolutions of the Company authorising the Issue.

5. General powers of attorney executed by the Directors in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

6. The report of Deloitte Haskin & Sells, Chartered Accountant, the statutory auditors, dated August 10, 2010 prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus together with copies of balance sheet and profit and loss account of the Company referred to

therein.

7. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

8. The Tax Benefit Report dated July 28, 2010 from the Company's statutory auditors.

9. Consents of Auditors, Bankers to the Company, the BRLMs, the CBRLMs, Advisor to the Issue, Syndicate Members, Registrar to the Issue, Banker to the Issue, Bankers to the Company, Legal Counsel to the Issue, Directors of the Company, Monitoring Agency and Company Secretary and Compliance Officer, as referred to, in their respective capacities.

10. Consent of [●], a SEBI registered IPO grading agency, for inclusion of its grading of the Issue in the Draft Red Herring Prospectus.

11. In-principle listing approval dated [•] and [•] from the BSE and the NSE respectively.

12. Agreement between NSDL, the Company and the Registrar to the Issue dated March 13, 2008.

13. Agreement between CDSL, the Company and the Registrar to the Issue dated March 14, 2008.

14. Due diligence certificates dated August 13, 2010 to SEBI from Enam Securities Private Limited, JM Financial Consultants Private Limited and Kotak Mahindra Capital Company Limited.

15. Consulting and Advisory Services Agreement dated February 20, 2008 between the Company and Future Capital Holdings Limited, as amended through amendment agreement dated August 10, 2010.

16. Securities Purchase Agreement dated October 26, 2007 between the Company and Future Capital Holdings Limited.

17. Share Subscription Agreement between the Company, SSIPL Retail Private Limited and others dated December 17, 2007.

18. Securities Purchase Agreement between the Company and Future Capital Holdings Limited for the purchase of shares of BIBA Apparels Private Limited.

19. Securities Purchase cum Shareholders Agreement dated on March 27, 2008 between the Company and Aadhaar Retailing Limited.

20. Investment Agreement dated November 30, 2008 between the Company and Mukesh Sawlani, Anita P Dongre and Meena Y Sehra and AND Designs India Limited.

21. Securities Purchase Agreements entered by the Company with Pantaloon Industries Limited and PFH Entertainment Limited for the purchase of shares of Indus-League Clothing Limited.

22. Share Subscription Agreement and the Shareholders Agreement, both dated December 1, 2008, between the Company and the other shareholders of Indus Tree Crafts Private Limited.

23. Subscription cum Shareholders' agreement dated December 15, 2009 has been executed between the Company and Hidesign India Private Limited and Holii Accessories Private Limited.

24. Share Purchase Agreement dated February 18, 2010 between Indivision India Partners and the Company.

25. Mentoring Services Agreement dated August 10, 2010 between the Company and PRIL.

26. Master License Agreement between the Company and Future Ideas Company Limited dated August 10, 2010.

27. Shareholding agreement relating to the Company’s investment in Future Consumers Products Limited dated September 12, 2007 and deed of adherence dated August 3, 2010.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the regulations issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the Rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

G.N. Bajpai	**Chairman, Non-Executive and Independent Director**
Kishore Biyani	**Managing Director**
Anil Harish	**Non-Executive and Independent Director**
Anand Balasundaram	**Non-Executive and Non-Independent Director**
Jagdish Shenoy	**Non-Executive and Independent Director**

Gopal Bihani
Vice-President Finance

Date: August 13, 2010
Place: Mumbai