

Future Value Retail Limited



Annual Report
2010-11

BOARD OF DIRECTORS

Shailesh Haribhakti
 Rajni Bakshi
 Ranjana Kumar
 Ashni Biyani
 Chandra Prakash Toshniwal
 Vivek Biyani
 Damodar Mall - Executive Director

COMPANY SECRETARY & HEAD-LEGAL

Kuldeep R. Sharma

STATUTORY AUDITORS

NGS & Co.
 Chartered Accountants

REGISTERED OFFICE

Knowledge House, Shyam Nagar
 Off. Jogeshwari - Vikhroli Link Road
 Jogeshwari (East)
 Mumbai - 400060

CORPORATE OFFICE

FUTURE RETAIL HOME OFFICE
 C-Wing, 247 Park, LBS Marg,
 Vikhroli (W),
 Mumbai - 400083

INDEX

Particulars	Page No.
Report of the Board	02
Auditors' Report	07
Balance Sheet	10
Profit and Loss Account	11
Schedules	12
Cash Flow Statement	25
SUBSIDIARY COMPANY	
Report of the Board	28
Auditors' Report	35
Balance Sheet	38
Profit and Loss Account	39
Schedules	40
Cash Flow Statement	48

Report of the Board

To,
The Members
Future Value Retail Limited

Your Directors are pleased to present the Fourth Annual Report of the Company for the financial year ended 30 June 2011.

FINANCIALS

(₹ in Crores)

	For the year ended 30 June 2011	For period of 15 months ended 30 June 2010
Turnover	6914.83	2991.71
Other income	3.77	1.10
Total Income	6918.60	2992.81
Depreciation	121.17	50.44
Other Expenditure	6628.22	2867.70
Total expenditure	6749.39	2918.14
Profit before tax	169.21	74.67
Taxes	56.21	24.07
Profit after tax	113.00	50.60
Appropriation: Debenture Redemption Reserve	25.00	25.00
Earning Per Share-Basic and Diluted (₹)	16.99	13.99

BUSINESS OVERVIEW, GROWTH AND EXPANSION

The Company is engaged in Value Retail Business since 1 January 2010 as part of the realignment initiative of the Future Group and its holding company Pantaloon Retail (India) Limited (PRIL). During FY 2010-11, the Company registered income from operations amounting to ₹ 6914.83 Crores and profit for the said financial year stood at ₹ 113.00 Crores. The Company is operating marquee format brand Big Bazaar and Food Bazaar apart from other smaller formats in Value Retail Business.

During the year, the Company opened new 26 Food Bazaars including SIS located within the 19 new Big Bazaar stores. In addition to the above, other formats of the Company also saw a good growth in terms of numbers as well as turnover.

A crucial roll out for the forthcoming year is the launch of FoodHall – an upgraded food store catering to a more evolved set of customers willing to pay a higher price for more value added food products as well as international food ingredients.

The management is also concentrating in increasing its presence in fashion through “fashion at Big Bazaar” (**fbb**), providing multiple choice to value customer in fashion segment.

With such initiative and many more to be added, Management is positive of the growth of the business and Company.

DIVIDEND

To conserve the financial resources, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

During the year ended on 30 June 2011, the Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

HOLDING COMPANY

The Company is 100% subsidiary of Pantaloon Retail (India) Limited.

SUBSIDIARY

As required pursuant to section 212 of the Companies Act, 1956, the financial statements, together with Directors' Report and Auditors' Report of Company's subsidiary Future Freshfoods Limited, are enclosed with this report as Annexure – I.

DIRECTORS

With deep regret, we report the sad and sudden demise of Mr. Raghu Pillai, then Executive Director, on 10 April 2011. Mr. Raghu Pillai was associated with the Company since December 2010. In the short stint, he had given right direction to the Company's operations. The Board places on record its appreciation for contribution of Mr. Raghu Pillai during his tenure as Executive Director of the Company. As per the applicable provisions of the Companies Act, 1956, the resolution for approving his appointment for the period of his service and remuneration paid to him during that period has been submitted to the members for their consideration with recommendation of the Board.

During the year under review, the Board co-opted Ms. Ashni Biyani, Mr. Vivek Biyani, Ms. Rajni Bakshi and Ms. Ranjana Kumar as Additional Directors of the Company with effect from 6 January 2011.

Further, the Board appointed Mr. Damodar Mall as an Additional Director of the Company with effect from 13 May 2011. He had further been appointed as Executive Director for a period of 3 years with effect from 13 May 2011 in accordance with the recommendation of the Remuneration and Nomination Committee. As per the applicable provisions of the Companies Act, 1956, the resolution for approving his appointment and remuneration payable to him is being submitted to the members for their consideration with recommendation of the Board.

During the year under review, Mr. Sanjay Rathi and Mr. Rajesh Kalyani resigned from the Directorship of the Company with effect from 6 January 2011. The Board wishes to place on record its appreciation for the valuable services rendered by them during their tenure.

In terms of Section 255 and 256 the Companies Act, 1956, Mr. C P Toshniwal retires at the ensuing Annual General Meeting of the Company and being eligible, offers himself for the appointment as Director.

In terms of section 260 of the Companies Act, 1956, Ms. Ashni Biyani, Mr. Vivek Biyani, Ms. Rajni Bakshi, Ms. Ranjana Kumar and Mr. Damodar Mall hold office as Additional Directors till the date of ensuing Annual General Meeting. The Company is in receipt of notices pursuant to the provisions of Section 257 of the Companies Act, 1956 read with Articles of Association of the Company from the members proposing the candidature of Ms. Ashni Biyani, Mr. Vivek Biyani, Ms. Rajni Bakshi and Ms. Ranjana Kumar for the appointment as Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts for the financial year ended 30 June 2011, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the financial year ended 30 June 2011;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that the Directors have prepared the accounts for the financial year ended 30 June 2011 on a 'going concern' basis.

AUDITORS

M/s. NGS & Co., Chartered Accountants, shall retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have issued a certificate to the effect that their re-appointment, if made at the ensuing Annual General Meeting, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Members are requested to consider and approve the re-appointment of M/s. NGS & Co. as Auditors of the Company.

PARTICULARS OF EMPLOYEES

The Statement containing particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the rules made there under, is given as an Annexure - II appended hereto and forms part of this Report.

AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to the provisions of section 292A of the Companies Act, 1956 comprising of the following Directors:

Mr. C P Toshniwal	Chairman
Mr. Vivek Biyani	Member (w.e.f. 6 January 2011)
Mr. Damodar Mall	Member (w.e.f. 13 May 2011)
Mr. Raghu Pillai	Member (w.e.f. 6 January 2011 upto 10 April 2011)
Mr. Rajesh Kalyani	Member (upto 6 January 2011)
Mr. Sanjay Rathi	Member (upto 6 January 2011)

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND EXPORT INITIATIVE

Form A to the Annexure to the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 does not apply to the Company. However, there is no expenditure on R&D, Technology Absorption, adoption & innovation during the current financial year. The Company being concentrating

on the domestic consumption space does not have any specific exports initiatives to report to members. However, the Company earned the foreign exchange by way of sale against foreign credit cards and foreign exchange received from customers, as per details given hereunder:

FOREIGN EXCHANGE EARNINGS & OUTGO:

	For the year ended 30 June 2011	(₹ in Crores) For 15 month period ended 30 June 2010
Foreign exchange outgo	3.52	0.09
Earnings in Foreign Currency	20.42	9.21

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by the Government, clients, bankers, investors and other government agencies and look forward to their continued patronage in future.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 25 August 2011

Damodar Mall
Executive Director

Vivek Biyani
Director

ANNEXURE-I

FUTURE FRESHFOODS LIMITED

Statement pursuant to sec. 212(3) of the Companies Act, 1956 relating to Company's interest in Subsidiary Company as on 30 June 2011.

(₹ in thousand)

Name of the Subsidiary Company	Future Freshfoods Limited
1. Financial period of Subsidiary ended on	31 March 2011
2. Date from which it became Subsidiary	3 December 2010
3. a) Number of shares held by the Company	7,91,700 Equity Shares of ₹10/- each fully paid up
b) Extent of holding at the end of the financial year of the Subsidiary Company	79.17%
4. The net aggregate amount of the Subsidiary Company's Profit / (Loss) so far as it concerns the members of the Company	(22,173.49) First Financial Year
a) Not dealt with the Holding Company's accounts	N.A.
i. For the financial year ended 31/03/2011	
ii. For the previous financial years of the Subsidiary Company since they became the Holding Company's Subsidiary	
b) Dealt with in Holding Company's accounts	NIL
i. For the financial year ended 31/03/2011	
ii. For the previous financial years of the Subsidiary Company since they became the Holding Company's Subsidiary	NIL

Information under section 212(5) of the Companies Act, 1956, where the financial year (year ended 31.03.2011) of subsidiary (Future Freshfoods Limited) do not coincide with the financial year (year ended 30.06.2011) of the holding Company (Future Value Retail Limited)

Name of the Subsidiary	Future Freshfoods Limited
a) whether there has been any, and, if so, what change in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year;	NONE
b) details of any material changes which have occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of	
i. the subsidiary's fixed assets;	NONE
ii. its investments;	NONE
iii. the moneys lent by it;	NONE
iv. the moneys borrowed by it for any purpose other than that of meeting current liabilities	NONE

Auditors' Report

The Members of Future Value Retail Limited

1. We have audited the attached Balance Sheet of Future Value Retail Limited as at June 30, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the Directors, as on June 30, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on June 30, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes to accounts of Schedule 19 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2011;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For NGS & CO;
Chartered Accountants
Firm Registration no. 119850W

Navin T. Gupta
Partner
Membership No.: 40334
Mumbai
August 25, 2011

Annexure to the Auditors' Report

Re: Future Value Retail Limited ('the Company')

With reference to the Annexure referred to in Paragraph 3 of the report of the Auditors to the members of the company for the year ended June 30, 2011. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has physically verified certain assets during the year in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) There was no substantial disposal of fixed assets during the year.
- ii. (a) The Company has conducted physical verification of inventory at regular intervals during the year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and its nature of business.
(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the company.
- iii. The Company has not granted or taken any loan secured/unsecured to/from Companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of clause 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system in respect of these areas. Further, we have not observed any continuing failure to correct major weaknesses in internal control systems of the Company.
- v. In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
 - a. To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b. According to the information and explanations given to us, the transactions made in pursuance of these contracts or arrangements referred to in v(a) above and exceeding the value of Rs five lakhs with any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public. Therefore provisions of clause 4(vi) of the Order are not applicable to the Company.
- vii. In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's products. Therefore provision of clause 4(viii) of the Order is not applicable to the Company.
- ix. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed statutory dues as above were outstanding as at June 30, 2011 for a period of more than 6 months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of provident fund, investor education and protection fund, employees state insurance, income tax, sales-tax, service tax wealth tax, custom duty, excise duty cess and other statutory dues which have not been deposited on account of any dispute.
- x. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial period is fifty per cent or more of its net worth and whether it has incurred cash losses in this financial year and in the immediately preceding financial year.
 - xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
 - xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) the Order are not applicable to the Company.
 - xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore provisions of clause 4(xiv) of the Order are not applicable to the Company.
 - xv. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
 - xvi. In our opinion and according to the information and explanations given to us, the term loans obtained during the year have prima facie been applied for the purpose for which they were taken.
 - xvii. According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
 - xviii. According to the information and explanations given to us, the Company has not made any preferential allotments of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of clause 4(xviii) of the Order are not applicable to the Company.
 - xix. The Company has not issued any secured debentures during the year. Therefore provisions of clause 4(xix) the Order are not applicable to the Company.
 - xx. The Company has not raised any money by public issues during the year. Therefore provisions of clause 4(xx) of the Order are not applicable to the Company.
 - xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

For NGS & Co.
Chartered Accountants
Firm Registration no. 119850W

Navin T. Gupta
Partner
Membership No.: 40334
Mumbai
August 25, 2011

BALANCE SHEET AS AT JUNE 30, 2011

PARTICULARS	Schedule	As At June 30,2011 (₹ in Crores)	As At June 30,2010 (₹ in Crores)
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	66.50	66.50
Reserves & Surplus	2	1,074.86	961.86
		<u>1,141.36</u>	<u>1,028.36</u>
Loan Funds			
Secured Loans	3	1,694.51	1,297.63
Unsecured Loans	4	1,007.71	231.34
		<u>2,702.22</u>	<u>1,528.97</u>
Deferred Tax Liability		<u>78.00</u>	<u>56.30</u>
		<u><u>3,921.58</u></u>	<u><u>2,613.63</u></u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	5	1,763.97	1,257.44
Less : Depreciation		170.19	50.41
Net Block		<u>1,593.78</u>	<u>1,207.03</u>
Capital work-in-progress		238.31	224.07
Investments	6	9.98	0.24
Current Assets, Loans & Advances			
Inventories	7	1,822.97	1,132.54
Sundry Debtors	8	196.56	147.50
Cash & Bank Balances	9	40.95	63.48
Loans & Advances	10	958.66	606.09
		<u>3,019.14</u>	<u>1,949.61</u>
Less : Current Liabilities & Provisions			
Current Liabilities	11	918.59	747.96
Provisions	12	21.04	19.36
		<u>939.63</u>	<u>767.32</u>
Net Current Assets		<u>2,079.51</u>	<u>1,182.29</u>
		<u><u>3,921.58</u></u>	<u><u>2,613.63</u></u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	19		

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date attached

For NGS & CO.

Chartered Accountants

Navin T. Gupta

Partner

Membership No.:40334

For and on behalf of Board of Directors

Shailesh Haribhakti

Director

C.P.Toshniwal

Director

Ashni Biyani

Director

Rajni Bakshi

Director

Damodar Mall

Executive Director

Kuldeep Sharma

Company Secretary & Head-Legal

Place : Mumbai

Date : 25 August, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30,2011

PARTICULARS	Schedule	July 1, 2010 to June 30, 2011 (12 Months) (₹ in Crores)	April 1, 2009 to June 30, 2010 (15 Months) (₹ in Crores)
INCOME			
Sales & Operating Income	13	6,914.83	2,991.71
Other Income	14	3.77	1.10
		6,918.60	2,992.81
EXPENDITURE			
Cost of goods sold	15	5,177.79	2,243.05
Personnel cost	16	266.40	114.46
Operating & other expenses	17	944.33	407.16
Finance charges	18	239.70	103.03
Depreciation		121.17	50.44
		6,749.39	2,918.14
Profit Before Tax		169.21	74.67
Less: Tax Expenses	19(B)(12)	56.21	24.07
Profit After Tax		113.00	50.60
Add : Balance brought forward		25.41	(0.19)
Available for Appropriation		138.41	50.41
Debenture Redemption Reserve		25.00	25.00
Balance carried to Balance Sheet		113.41	25.41
Earning Per Share in ₹ (Face Value ₹ 10)			
Basic & Diluted	19(B)(14)	16.99	13.99

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS 19

The Schedules referred to above form an integral part of the Profit & Loss Account

As per our Report of even date attached**For NGS & CO.**

Chartered Accountants

Navin T. Gupta

Partner

Membership No.:40334

For and on behalf of Board of Directors**Shailesh Haribhakti**

Director

C.P.Toshniwal

Director

Ashni Biyani

Director

Rajni Bakshi

Director

Damodar Mall

Executive Director

Place : Mumbai

Date : 25 August, 2011

Kuldeep Sharma

Company Secretary & Head-Legal

SCHEDULES TO BALANCE SHEET AS AT JUNE 30,2011

	As At June 30,2011 (₹ in Crores)	As At June 30,2010 (₹ in Crores)
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
100,000,000 Equity Shares of ₹10/- each.	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed & Paid Up		
664,99,912 Equity Shares of ₹10/- each. (Out of above 664,99,912 equity share of ₹ 10 each fully paid up are held by Pantaloon Retail (India) Limited, the holding Company) (2,63,99,912 Equity Share of ₹ 10/- each fully paid up allotted as fully paid-up Bonus share by capitalisation of Share Premium)	66.50	66.50
	<u>66.50</u>	<u>66.50</u>
SCHEDULE 2 : RESERVES & SURPLUS		
Share Premium		
Balance at beginning of the year	911.45	26.40
Add : Premium received during the year	-	912.00
Less : Utilised for share issue expenses	-	0.55
Less : Utilised for bonus shares Issued	-	26.40
	<u>911.45</u>	<u>911.45</u>
Debenture Redemption Reserve		
Balance at beginning of the year	25.00	-
Add : Transfer from Profit & Loss Account	25.00	25.00
	<u>50.00</u>	<u>25.00</u>
Profit and Loss Account		
	113.41	25.41
	<u>1,074.86</u>	<u>961.86</u>
SCHEDULE 3 : SECURED LOANS		
(1) Non Convertible Debentures	500.00	500.00
(2) Term Loans From Banks		
a) Foreign Currency Loans	8.42	56.02
b) Rupee Loans	797.86	438.90
(3) Working Capital Loans From Banks		
Rupee Loans	388.23	302.71
	<u>1,694.51</u>	<u>1,297.63</u>
SCHEDULE 4 : UNSECURED LOANS		
(1) Debenture		
a) Compulsory Convertible Debentures Series A	535.00	-
b) Compulsory Convertible Debentures Series B	150.00	-
(2) From Banks		
Long Term	222.71	193.33
Short Term	100.00	25.01
(3) Inter Corporate Deposits	-	13.00
	<u>1,007.71</u>	<u>231.34</u>

SCHEDULES TO BALANCE SHEET AS AT JUNE 30,2011

SCHEDULE 5 : FIXED ASSETS

(₹ In Crores)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/07/2010	Additions	Deductions	As at 30/06/2011	Up to 30/06/2010	Adjustment for the year	Depreciation for the year	Up to 30/06/2011	As at 30/06/2011	As at 30/06/2010
Building & Leasehold Improvements	207.02	66.91	4.16	269.77	15.74	0.29	32.18	47.63	222.14	191.28
Plant & Machinery	31.32	6.51	0.58	37.25	0.69	0.03	1.64	2.30	34.95	30.63
Office Equipments	19.15	4.44	0.34	23.25	0.46	0.06	1.10	1.51	21.75	18.69
Computers & Software	151.42	96.63	3.16	244.90	11.20	0.06	27.93	39.06	205.84	140.22
Furniture & Fittings	455.44	223.54	5.35	673.63	13.52	0.32	35.00	48.20	625.44	441.92
Electrical Installations	271.15	103.59	10.24	364.50	6.06	0.57	15.58	21.07	343.43	265.09
Vehicles	0.37	0.53	-	0.90	0.02	-	0.07	0.09	0.81	0.35
Air Conditioners	121.57	29.06	0.86	149.77	2.72	0.05	7.67	10.33	139.44	118.85
Total	1,257.44	531.21	24.69	1,763.97	50.41	1.38	121.17	170.19	1,593.78	1,207.03
Previous Year	-	1,262.29	4.85	1,257.44	-	0.03	50.44	50.41	1,207.03	-
Capital Work in Progress	-	-	-	-	-	-	-	-	238.31	224.07

**As At June
30,2011
(₹ in Crores)**
**As At June
30,2010
(₹ in Crores)**

SCHEDULE 6 : INVESTMENTS LONG TERM INVESTMENT

Non-Trade

In Government Securities - Unquoted

National Saving Certificates (Deposited with Government Authorities)

0.02

0.02

Subsidiary Company

7,91,700 Equity Shares fully paid up of ₹ 10/- each of Future Freshfoods Limited

9.74

-

CURRENT INVESTMENT

In Mutual Fund

1,99,039 Units of LIC Mutual Fund Liquid plus Growth Fund (Market Value ₹ 0.27 Crore, 2010 ₹ 0.25 Crore)

0.22

0.22

9.98
0.24

SCHEDULE 7 : INVENTORIES

Packing Materials

14.23

11.77

Finished Goods (Including In-Transit)

1,808.74

1,120.77

1,822.97
1,132.54

SCHEDULE 8 : SUNDRY DEBTORS

(Unsecured, considered good)

Debts due for less than six months

196.56

147.50

196.56

147.50

SCHEDULES TO BALANCE SHEET AS AT JUNE 30,2011

	As At June 30,2011 (₹ in Crores)	As At June 30,2010 (₹ in Crores)
SCHEDULE 9 : CASH & BANK BALANCES		
Cash in Hand	10.30	13.24
Balance with Scheduled Banks :		
- in Current Accounts	30.64	50.23
- in Margin Money Deposit Accounts	0.01	0.01
	<u>40.95</u>	<u>63.48</u>
SCHEDULE 10: LOANS & ADVANCES		
(Unsecured, considered good)		
Inter Corporate Deposit	7.00	-
Advances Recoverable in cash or in kind for value to be received	229.42	74.23
Deposits	722.24	531.86
	<u>958.66</u>	<u>606.09</u>
SCHEDULE 11: CURRENT LIABILITIES		
Acceptances	459.80	406.12
Sundry Creditors *	414.67	307.47
Advances from Customers	12.93	9.20
Other Liabilities	28.94	22.45
Interest accrued but not due	2.25	2.72
	<u>918.59</u>	<u>747.96</u>
SCHEDULE 12: PROVISIONS		
Gratuity and Leave Encashment	10.75	8.19
Taxation (Net of Payment/deduction of tax)	10.29	11.17
	<u>21.04</u>	<u>19.36</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30,2011

	2010-11 (₹ in Crores)	2009-10 (₹ in Crores)
SCHEDULE 13: SALES & OPERATING INCOME		
Sales	7,208.01	3,099.53
Less: VAT	431.71	173.92
	6,776.30	2,925.61
Other Operating Income	138.53	66.10
	<u>6,914.83</u>	<u>2,991.71</u>
SCHEDULE 14: OTHER INCOME		
Miscellaneous Income	3.77	1.10
	<u>3.77</u>	<u>1.10</u>
SCHEDULE 15: COST OF GOODS SOLD		
Opening stock of finished goods	1,120.77	-
Purchase of finished goods	5,865.76	3,363.82
Less : Closing Stock of finished goods	1,808.74	1,120.77
	<u>5,177.79</u>	<u>2,243.05</u>

*includes ₹ 1.26 Crores (2010: ₹ Nil Crores) payable to Subsidiaries

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30,2011

	2010-11 (₹ in Crores)	2009-10 (₹ in Crores)
SCHEDULE 16: PERSONNEL COST		
Salaries, Wages & Bonus	235.83	99.79
Contribution to Provident & Other Funds	16.42	6.81
Welfare expenses	9.90	3.55
Gratuity and Leave Encashment	4.25	4.31
	<u>266.40</u>	<u>114.46</u>
SCHEDULE 17: OPERATING & OTHER EXPENSES		
Packing Material	53.53	22.55
Power & Fuel	111.66	47.55
Repairs & Maintenance		
Building	0.01	0.04
Plant & Machinery	0.75	0.21
Others	14.29	6.35
	15.05	6.60
Rent including lease rentals	347.12	154.38
Mall Maintenance Charges	106.56	45.91
Rates & Taxes	9.37	5.51
Donation	0.15	0.01
Insurance	1.87	0.75
Auditors' Remuneration	0.48	0.31
Directors Sitting Fees	0.04	-
Commission	8.07	3.93
Sundry Balances written off	0.35	-
Advertisement & Marketing	146.04	63.04
Loss on Sale/Discarded of Fixed Assets (Net)	8.10	4.06
Other Expenses	135.95	52.56
	<u>944.33</u>	<u>407.16</u>
SCHEDULE 18 : FINANCE CHARGES		
Interest : On Debentures and Fixed Loans	131.72	59.83
Others	77.69	27.55
Discounting and Other Charges	30.06	15.78
Exchange Fluctuation (Gain)/ Loss	0.24	(0.06)
	<u>239.71</u>	<u>103.10</u>
Less : Interest Income (TDS : NIL, 2010 : NIL)	0.01	0.07
	<u>0.01</u>	<u>0.07</u>
	<u>239.70</u>	<u>103.03</u>

SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with applicable accounting standards notified by the Government of India/issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Difference between the actual results and estimates is recognised in the period in which the results are known/materialized.

3. Fixed Assets and Depreciation

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use. Financing and other cost relating to acquisition of fixed assets are also included to the extent they relate to the period till such time as the assets are ready for commercial operation. Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except Leasehold improvements which are amortised over the lease period and employee perquisite- related assets which are depreciated over three years. Intangible Assets are amortised over their useful life not exceeding ten years.

4. Investments

Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution is being made if necessary to recognise a decline, other than temporary in the value thereof.

5. Inventories

Inventories are valued as follows :

- a) Packing material : At Cost
- b) Finished goods : At the lower of cost or net realisable value

Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is computed on weighted average basis.

6. Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in profit and loss account.

7. Revenue Recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection. Sale of Goods is accounted on delivery to customers. Sales is net of returns, discounts and Value Added Tax. Interest income is recognized on accrual basis.

8. Retirement and other employee benefits**Short Term Employee Benefits:**

Short Term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post Employment Benefits:

Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss account.

9. Provision for current and deferred tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Tax Expenses comprise of current tax and deferred tax. The provision for current income tax is the aggregate of the provision for 9 months ended March 31,2011 and the estimated provision based on the taxable profit of remaining 3 months upto June 30,2011,the actual tax liability, for which, will be determined on the basis of the results for the period April 1,2011 to March 31,2012.

10. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

11. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level of cash generating units.

12. Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereon are charged to Profit and Loss account.

B. NOTES ON ACCOUNTS

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceeding year included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. Current year figures are for 12 months and are therefore not comparable with the previous year.

2. As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

A. Change in Present Value of Obligation

(₹ in Crores)

Particulars	Gratuity (Unfunded)		Leave encashment (Unfunded)	
	As at June 30,		As at June 30,	
	2011	2010	2011	2010
Present Value of the Obligation as on July 1, 2010	4.54	2.69	3.65	1.49
Interest Cost	0.36	0.11	0.29	0.06
Current Service Cost	2.71	0.90	1.80	0.85
Benefits Paid	0.45	0.06	1.24	0.24
Actuarial (gain)/ loss on obligations	(0.37)	0.90	(0.54)	1.49
Present Value of the Obligation as on June 30, 2011	6.79	4.54	3.96	3.65

B. Amount recognised in the Balance Sheet

(₹ in Crores)

Particulars	Gratuity (Unfunded)		Leave encashment (Unfunded)	
	As at June 30,		As at June 30,	
	2011	2010	2011	2010
Present Value of the Obligation as on June 30, 2011	6.79	4.54	3.96	3.65
Fair value of plan assets	NIL	NIL	NIL	NIL
Un-funded Liability	6.79	4.54	3.96	3.65
Unrecognized actuarial gains/ losses	NIL	NIL	NIL	NIL
Un-funded liability recognized in Balance Sheet	6.79	4.54	3.96	3.65

C. Amount recognised in the Profit and Loss Account

(₹ in Crores)

Particulars	Gratuity (Unfunded)		Leave encashment (unfunded)	
	2011	2010	2011	2010
Interest Cost	0.36	0.11	0.29	0.06
Current Service Cost	2.71	0.90	1.80	0.85
Expected Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Actuarial (gain)/ loss on obligations	(0.37)	0.90	(0.54)	1.49
Total expense recognised in the Profit and Loss Account	2.70	1.91	1.55	2.40

D. Reconciliation of Balance Sheet

(₹ in Crores)

Particulars	Gratuity (Unfunded)		Leave encashment (unfunded)	
	As at June 30,		As at June 30,	
	2011	2010	2011	2010
Present Value of the Obligation as on July 1, 2010	4.54	2.69	3.65	1.49
Total expense recognised in the Profit and Loss Account	2.70	1.91	1.55	2.40
Benefit paid during the year	0.45	0.06	1.24	0.24
Present Value of the Obligation as on June 30, 2011	6.79	4.54	3.96	3.65

The Assumptions used to determine the benefit obligations are as follows :

Particulars	Gratuity	Leave encashment
Discount Rate	8.00%	8.00%
Expected Rate of increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan Assets	NA	NA

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above Information is certified by the actuary.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 29.96 Crores (2010: ₹ 10.11 Crores).

4. **Contingent Liabilities**

- A) Amount outstanding for guarantees given by banks on behalf of the company and group companies is ₹ 9.04 Crores (2010: ₹ 3.49 Crores)
- B) Amount outstanding for Corporate guarantee given to banks on behalf of Holding company is ₹ 61.32 Crores (2010 : ₹ NIL)
- C) Claims against the company not acknowledged as debts : ₹ 0.24 Crores (2010: ₹ NIL)

5. **Secured Loans: Amount Outstanding**

(₹ in Crores)

A. Non Convertible Debentures	
Secured by pari passu first charge on fixed assets (excluding specific fixed assets charged in favour of exclusive charge lender)	500.00
Debentures referred as above are redeemable at par, in one or more installments as follows: ₹ 250.00 Crores in financial year 2014-15, ₹ 250.00 Crores in 2015-16.	
B. Term Loans	
Secured by pari passu first charge on the fixed assets (excluding specific fixed assets charged in favour of exclusive charge lender), credit card receivables of all the stores and pari passu second charge on current assets	8.42

Rupee Loans		
(i)	Secured by pari passu first charge on the fixed assets (excluding specific fixed assets charged in favour of exclusive charge lender), credit card receivables of all the stores and pari passu second charge on current assets	367.30
(ii)	Secured by pari passu first charge on fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lender)	269.47
(iii)	Secured by pari passu third charge on current Assets & Fixed Assets	65.55
(iv)	Secured by exclusive charge on specific fixed assets.	13.79
(v)	Secured by pari passu first charge on companys' fixed Assets.(excluding assets charged on exclusive basis to exclusive charge lenders) and Pari passu second charge on current assets excluding deposit	81.75
		797.86

C. Working Capital Loan		
Secured by pari passu first charge on the entire current assets excluding credit card receivables and pari passu second charge on fixed assets and credit card receivables.		388.23

6. During the year under review, Company has issued 6850 ,5% Unsecured Compulsorily Convertible Debentures of ₹ 10 lacs each (CCDs) on private placement basis aggregating to ₹ 685 Crores. Each CCD is convertible into Fully Paid Up Equity Shares of the Company either at IPO linked Conversion price or Conversion Long Stop Date linked conversion Price (in case IPO does not happen before long stop date), as specified in the respective Debenture Subscription Agreements executed by the Company with respective subscribers. As per terms of issue ,the CCD will convert into equity shares not later than April 17,2015 .

7. Of the unsecured loans, amount repayable within one year is ₹ 180.00 Crores (2010: ₹ 80.04 Crores) and of the Secured Loans amount repayable within one year is ₹ 78.70 Crores (2010: ₹ 43.51 Crores).

8. **Auditors Remuneration:** (₹ in Crores)

Particulars	2010-11	2009-10
Audit Fees	0.44	0.28
Tax Audit	0.03	0.03
Other services	0.01	-
TOTAL	0.48	0.31

9. Interest allocated against fixed assets amounts to ₹19.57 Crores (2010: ₹ 4.94 Crores).

10. The Company has entered into operating lease arrangements for it's premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 551.31 Crores (2010: ₹ 620.01 Crores). The Lease Rent payable not later than one year is ₹ 207.53 Crores (2010 : ₹ 223.03 Crores), payable later than one year but not later than five year is ₹ 331.91 Crores (2010 : ₹ 373.21 Crores) and payable later than five years is ₹ 11.87 Crores (2010 : ₹ 23.77 Crores).

11. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

12. Tax Charges

The Tax Expenses for the year comprises of :

(₹ in Crores)

Income Tax	2010-11	2009-10
Current tax	34.51	12.69
Deferred tax	21.70	11.38
TOTAL	56.21	24.07

13. Related Party Disclosure

Disclosure as required by the accounting Standard 18 "Related Party Disclosure" are given below:

a) List of Related Parties**Holding Company**

Pantaloon Retail (India) Limited

Subsidiary

Future Freshfoods Limited

Fellow Subsidiaries

1. FSC Brand Distribution Services Limited (Formerly Known as FLSL Distribution Services Limited)
2. Future Agrovet Limited
3. Future Capital Holdings Limited
4. Future E-Commerce Infrastructure Limited
5. Future Knowledge Services Limited
6. Future Learning and Development Limited
7. Future Media (India) Limited
8. Future Mobiles and Accessories Limited (till 29 June, 2011)
9. Future Supply Chain Solutions Limited (Formerly known as Future Logistic Solutions Limited)
10. Winner Sports Limited
11. Home Solution Retail (India) Limited
12. Splendor Fitness Private Limited (Formerly Known as Talwalkars Pantaloon Fitness private Limited)
13. Clarks Future Footwear Limited (till 26 December, 2010)

Associate

Galaxy Entertainment Corporation Limited

b) Transaction with related Parties

(₹ in Crores)

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate Company	Subsidiary
Sales and Operating Income	135.00 (6.34)	15.39 (6.19)	- (0.27)	0.02 (-)
Sale of Fixed Assets	3.06 (0.58)	- (-)	- (-)	- (-)
Purchases	70.75 (256.69)	1041.66 (299.44)	0.02 (0.005)	11.04 (-)
Purchases of Fixed Assets including Capital Work In Progress	2.29 (0.59)	0.47 (11.74)	- (-)	- (-)
Expenditure on Services and Others	36.49 (15.16)	6.84 (16.18)	0.66 (0.41)	- (-)
Advance Received	0.24 (-)	0.50 (-)	- (-)	- (-)
Advances Given	33.66 (14.74)	0.62 (1.34)	- (-)	- (-)
Deposit Given	0.20 (-)	0.01 (-)	- (-)	- (-)
Outstanding Balances as on June 30, 2011 Receivable	56.40 (1.86)	46.94 (34.29)	1.87 (2.43)	- (-)
Payable	0.32 (38.28)	36.45 (62.54)	- (-)	1.26 (-)

*Figure in brackets relate to previous year.

c) Disclosure in respect of material Related Party Transactions during the year :

- i. Sales and Operating Income include Future Media (India) Limited ₹ 11.29 Crores (2010: ₹ 5.06 Crores), Future E-commerce Infrastructure Limited ₹ 2.01 Crores (2010: ₹ 0.13 Crores) Future Agrovet Limited ₹ 2.01 Crores (2010: ₹ 0.73 Crores)
- ii. Purchases include Future Agrovet Limited ₹ 789.23 Crores (2010: ₹ 195.66 Crores) and Future Supply Chain Solutions Limited ₹ 129.61 Crores (2010: ₹ 47.21 Crores)
- iii. Purchases of Fixed Assets include Future Supply Chain Solutions Limited ₹ 0.46 Crores (2010: ₹ 0.97 Crores).
- iv. Expenditure on services and others includes Future Mobile and Accessories Limited ₹ 4.53 Crores (2010: ₹ 1.43 Crores) and Home Solutions Retail (India) Limited ₹ 0.93 Crores (2010: ₹ Nil) Splendor Fitness Private Limited ₹ 0.70 Crores (2010: ₹ Nil)
- v. Advance received includes Future E-commerce Infrastructure Limited ₹ 0.50 Crores (2010: ₹ Nil)
- vi. Advance given includes Future Supply Chain Solutions Limited ₹ 0.09 Crores (2010: ₹ Nil), Winner Sports Limited ₹ 0.40 Crores (2010 : ₹ Nil)
- vii. Deposit given includes Future Media (India) Limited ₹ 0.01 Crores (2010 : ₹ Nil)

14. Earning Per Share

The calculation of Earning per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning per Share issued by the

Institute of Chartered Accountants of India. A statement on calculation of diluted EPS is as under:

Particulars	UNITS	2010-11	2009-10
Profit after tax	₹ in Crores	113.00	50.60
The Weighted average number of Equity Shares for Basic and Diluted EPS	No. in Crores	6.65	3.62
The Nominal Value per Equity Share	₹	10	10
Earning per Equity share (Basic and Diluted)	₹	16.99	13.99

15. Deferred Tax Liabilities

As per Accounting Standard (AS-22) on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI), the Deferred Tax Liability (DTL) comprises of the following:

(₹ in Crores)

Particulars	2010-11	2009-10
Deferred Tax Liability		
Related to Fixed Assets	81.57	57.73
Deferred Tax Asset		
Disallowances under the Income Tax Act, 1961/Provisions	3.57	1.43
Provision for Deferred Tax (net)	78.00	56.30

16. Sundry Debtors

Sundry Debtors includes amount due from the following companies under the same management Futurebazaar India Limited ₹ 0.47 Crores (2010: ₹ 0.53 Crores), Future Capital Holdings Limited ₹ 1.57 Crores (2010: ₹ 2.40 Crores), Future Media (India) Limited ₹ 10.19 Crores (2010: ₹ 6.38 Crores), Future Mobile and Accessories Limited ₹ 27.47 Crores (2010 : ₹ 20.75 Crores), Pantaloon Retail (India) Limited ₹ 22.13 Crores (2010:Nil) Future Agrovet Limited ₹ 0.09 Crores (2010 : Nil).

17. Sales, Purchases, Opening And Closing Stock

(Qty. & Value in Crores)

Particulars	Sales		Purchases		Opening Stock		Closing Stock	
	Qty* (In Pcs)	Amount	Qty (In Pcs)	Amount	Qty (In Pcs)	Amount	Qty (In Pcs)	Amount
Apparels/ Household Items etc.	15.32 (7.07)	3603.46 (1477.95)	18.11 (11.48)	3203.06 (2002.52)	4.41 (-)	801.59 (-)	7.20 (4.41)	1321.66 (801.59)
Others	- (-)	3172.84 (1447.66)	- (-)	2662.70 (1361.30)	- (-)	319.18 (-)	- (-)	487.08 (319.18)
Total	15.32 (7.07)	6776.30 (2925.61)	18.11 (11.48)	5865.76 (3363.82)	4.41 (-)	1120.77 (-)	7.20 (4.41)	1808.74 (1120.77)

*Sales is inclusive of samples, free gifts, shortages, loss in fire/floods etc.

Figure in brackets relate to previous year

The Company having dealt in a large number of products, quantitative information has been furnished only in respect of major items namely Apparels and Household Items. Other items are grouped together, as quantitative information in respective of each product is not practical to ascertain in view of nature of retailing operation of the Company.

18. Value of Imports (CIF Basis)

(₹ in Crores)

Particulars	2010-11	2009-10
Finished goods	107.74	22.22
Capital Goods	22.03	3.24

19. Expenditure in foreign currency

(₹ in Crores)

Particulars	2010-11	2009-10
Traveling Expenses	0.41	0.07
Interest on FCNR Loan/Term Loan/Foreign Currency Loan	2.63	0.02
Professional charges	0.48	0.00

20. Earnings in Foreign Currency

(₹ in Crores)

Particulars	2010-11	2009-10
Earning in foreign currency through credit cards	20.42	9.21

21. The Company regards the business retail as a single reportable segment. Accordingly, Segment information is not being disclosed pursuant to the provision of Accounting Standard 17 on "Segment Reporting".
22. One of our group company, Home Solution Retail (India) Limited, based on legal advice, has challenged the levy of service tax on renting of commercial properties retrospectively from June 1, 2007 by the Finance Act, 2010 before various High Courts. Interim stay from recovery of said service tax has been granted by the various High Courts and the matter is pending. Accordingly, the Company has not made provision of ₹ 35.24 Crores (2010: ₹ 23.18 Crores) which will be appropriately recognized on final determination.
23. Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Judicature at Mumbai on April 1, 2011, Pantaloon Retail (India) Limited had transferred the format and product brands pertaining to Value Retail Business to the company with effect from January 01, 2010 ("Appointed Date"). Company has filed the certified copy of the Court order approving the said Scheme with Registrar of Companies (ROC), Mumbai on June 4, 2011 ("Effective Date") as required under applicable provision of the Companies Act, 1956. Accordingly the Scheme became effective from the Appointed Date i.e. January 01, 2010 on Effective Date i.e. June 4, 2011.

As per our Report of even date attached

For NGS & CO.

Chartered Accountants

Navin T. Gupta

Partner

Membership No. 40334

Place : Mumbai

Date : 25 August, 2011

For and on behalf of Board of Directors

Shailesh Haribhakti

Director

Rajni Bakshi

Director

Kuldeep Sharma

Company Secretary & Head-Legal

C.P.Toshniwal

Director

Damodar Mall

Executive Director

Ashni Biyani

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2011

PARTICULARS	2010-2011 (₹ in Crores)	2009-2010 (₹ in Crores)
A Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	169.21	74.67
Adjustments:		
Depreciation	121.17	50.44
Finance Charge (Net)	239.70	103.03
(Profit) / Loss on Sale/Discarding of Fixed Assets	8.10	4.06
Operating profit before working capital changes	538.18	232.20
Adjusted for:		
Trade and other receivable	(49.06)	(147.50)
Inventories	(690.43)	(1,132.54)
Loans & advances	(149.79)	(109.57)
Deferred Tax Liability	-	44.92
Trade payables	173.18	756.16
Net Cash generated from operations	(177.92)	(356.34)
Direct taxes paid	(35.39)	(1.52)
Net Cash generated by Operating Activities	(213.31)	(357.87)
B Cash Flow From Investing Activities		
Acquisition Fixed Assets	(531.21)	(1,262.29)
(Increase)/Decrease in capital work - in - progress	(14.25)	(224.05)
Proceeds from sale/Decapitalisation of fixed assets	15.21	0.76
Proceeds on Sale of investments	-	28.08
Purchase of investments	(9.74)	(0.02)
Deposit given-leased premises	(202.78)	(496.51)
Net Cash used in Investing Activities	(742.77)	(1,954.04)
C Cash Flow from Financing Activities		
Working Capital from Banks/Institutions	85.52	302.71
Proceeds from Issue of Share Capital (Net of Expenses)	(0.00)	949.45
Proceeds from long term borrowing	340.75	688.25
Proceeds/ (repayment) of short term borrowings (Net)	61.99	38.01
Proceeds from Non Convertible Debenture /CCDs	685.00	500.00
Finance Charge (Net)	(239.70)	(103.03)
Net Cash from financing activities	933.56	2,375.38
Net Cash used in Cash and Cash Equivalents (A+B+C)	(22.53)	63.47
Cash & Cash Equivalents (Opening balance)	63.48	0.01
Cash & Cash Equivalents (Closing balance)	40.95	63.48
	2010-2011	2009-2010
Cash and Cash Equivalents include:	(₹ in Crores)	(₹ in Crores)
Cash in Hand (as certified)	10.30	13.24
Balance with Scheduled Banks :		
in Current Accounts (including in transit)	30.64	50.23
in Fixed Deposit Account	0.01	0.01
	40.95	63.48

Note: 1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

As per our Report of even date attached

For NGS & CO.
Chartered Accountants

Navin T. Gupta
Partner
Membership No.:40334

Place : Mumbai
Date : 25 August, 2011

For and on behalf of Board of Directors

Shailesh Haribhakti
Director

Rajni Bakshi
Director

Kuldeep Sharma
Company Secretary & Head-Legal

C. P. Toshniwal
Director

Damodar Mall
Executive Director

Ashni Biyani
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE: INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I Registration Details :

Registration No.	U52100MH2007PLC171524/2007	State Code	11
Balance Sheet date	30/06/2011		

II Capital raised during the year (Amount Rs. In Thousand)

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	NIL
Others	NIL		

III Position of Mobilisation and Deployment of Funds (Amount Rs.inThousands)

Total liabilities	39215828	Total assets	39215828
--------------------------	----------	---------------------	----------

Sources of funds :

Paid up Capital	664999	Reserves & Surplus	10748550
Deferred Tax	780035	Unsecured Loans	10077134
Secured Loans	16945110		

Application of Funds :

Net Fixed Assets	18320878	Investments	99850
Net Current Assets	20795100	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. In Thousands)

Turnover *	69185978	Total Expenditure	67493850
Profit before Tax	1692128	Profit after Tax	1130003
*Including Other Income			
Earnings per Share Rs.		Dividend rate %	
Ordinary Share :	16.99	Ordinary Share :	NIL

V. Generic Names of three principal Products / Services of Company (As per Monetary Terms)

Item Code No.(ITC Code)	Product Description
620343	Trousers of Synthetic Fibers
520530	Shirts of Man-made Fibers
521211	Woven Fabrics of Synthetic Staple Fibers

**DIRECTOR'S REPORT, AUDITOR'S REPORT AND
FINANCIAL STATEMENTS OF SUBSIDIARY COMPANY**

Report of the Board

To,

The Members,

Future Freshfoods Limited

The Directors of your Company are pleased to present the First Annual Report of the Company for the financial period ended 31 March, 2011.

FINANCIAL HIGHLIGHTS:

(Amount in ₹)

	Period ended 31 March, 2011
Turnover	42,968,656
Other income	219,124
Total Income	43,187,780
Expenditure (excluding depreciation)	76,334,679
Depreciation	7,384,863
Total expenditure	83,719,542
Profit / (Loss) before tax	(40,531,762)
Tax (Deferred)	(12,524,314)
Profit / (Loss) after tax	(28,007,448)
EPS (in ₹)	(76.94)

BUSINESS OVERVIEW

Future Freshfoods Limited (FFL) has made a promising start by setting up supply chain facilities in Kolkata and Mumbai. It has also setup Farmer Collection Center (FCC) at Nashik and 6 other locations. The Company sees the food industry to be prominent in years to come with rising inflation and fragmented availability being the key issues in India. FFL hopes to bridge the gap between the farm level production and consumption area, whilst at the same time, reducing value destruction across the supply chain. FFL proposes to set up additional supply chain facilities at strategic locations to use its skills to meet demand for fresh produce from organised retailers like Future Group.

As availability of qualified and trained manpower in the fresh produce area is a big challenge. FFL is developing a team of personnel who will be trained to become experts in their own field of category management, sourcing, farmer relationship management, supply chain and replenishment system.

FFL supply chain is made to suit the fragmented nature of sourcing in India while being efficient and cost effective. It also focuses on quick turnaround of produce from the farm to the shelves and reduction of wastage.

In the coming year FFL will also meet the demand from other organised retailers and any other channels of sales/consumption of fresh produce.

INCORPORATION DETAILS

The Company was incorporated on 6 April, 2010 in the state of Maharashtra and obtained Certificate of Commencement of business on 13 April, 2010 from Asst.Registrar of Companies, Maharashtra, Mumbai.

SHARE CAPITAL

During the period under review, the Company has increased its authorised equity share capital from ₹10,00,000 (Rupees Ten Lacs only) divided into 1,00,000 (One Lac) equity shares each of ₹10/- (Rupees Ten only) to ₹ 2,00,00,000/- (Rupees Two Crores only) divided into 20,00,000 (Twenty Lacs) equity shares each of ₹10/- (Rupees Ten only) with approvals of members at Extra Ordinary General Meeting of the Company held on 25 November, 2010. During the period, the Company has issued and allotted 791,700 equity shares of ₹10 each fully paid at a premium of ₹ 113/- per share and 158,300 equity shares of ₹10 each at par aggregating 950,000 equity shares.

DIVIDEND

In view of losses, your Directors do not propose/ recommend any dividend for the period under review.

FIXED DEPOSIT

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 from the public during the previous financial period under review.

DIRECTORS

As per provision of section 255 and 256 of the Companies Act, 1956, Mr.Sanjay Rathi and Mr. Damodar Mall retire at the ensuing Annual General Meeting and being eligible, offer themselves re-appointment. The Company has received notices from members proposing their candidature for the appointment as Director of the Company.

During the period under review, Mr. Narendra Baheti was appointed as an Additional Director by the Board on 4 May, 2010 and holds office as such till the date of the ensuing annual general meeting. Notice has been received by your company from a member under section 257 of the Companies Act, 1956 proposing the candidature for the appointment of Mr. Narendra Baheti as director

During the period Mr. K.Radhakrishanan Kutty resigned from the Directorship w.e.f. 4 May, 2010. The Board places on record its appreciation for the valuable services rendered by Mr. K.Radhakrishanan Kutty during his tenure as director.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the Annual Accounts for the financial period ended 31 March, 2011 the applicable accounting standards have been followed along with proper explanations relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the loss of the Company for the period ended 31 March, 2011;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- that the Directors have prepared the accounts for the financial period ended 31 March, 2011 on a 'going concern' basis.

AUDITORS

M/s.GMJ & Co. Chartered Accountants, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office as such. Members are requested to consider and approve their re-appointment.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is given as an Annexure-I appended hereto and forms part of this Report.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, do not apply to the Company.

There was no Foreign Exchange Earnings & Outgo for the year under review & for the previous year.

Export Initiatives: As the Company's activities would be to cater to domestic organised retail segment, it had at present no plans to consider any international activities, involving any export initiatives.

COMPLIANCE CERTIFICATE

The Compliance Certificate obtained from a Company Secretary in Wholetime Practice pursuant to Section 383A of the Companies Act, 1956 for the financial period ended 31 March 2011 is annexed herewith and forms part of this Report.

ACKNOWLEDGEMENT

The Board desires to place on record, its appreciation to employees at all levels, who during the period under review, with sustained dedicated effort, enabled the Company to deliver a satisfactory performance. Your Directors also place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by its clients, bankers, investors and other government agencies and look forward to their continued patronage in future.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 25/07/2011

Sanjay Rathi
Director

Damodar Mall
Director

Annexure "I"

Information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the period 31 March, 2011.

Name of the Employee	K. Radhakrishnan Kutty
Age	53 years
Designation	President
Nature of Duties	-
Remuneration paid	₹ 1,01,23,364/-
Qualification	M.A.
Experience	29 year
Date of commencement of Employment	05/05/2010
Date of leaving	-
Last Employment	Reliance Retail Limited
Whether related to Director	-

Notes:

1. The employees have adequate experience to discharge the responsibility assigned to him.
2. The nature of employment is contractual.
3. The above remuneration relate to the part of the financial period.

Annexure "II"

FORM

COMPLIANCE CERTIFICATE

To

The Members

FUTURE FRESHFOODS LIMITED

Registration No. : **11- 201760**
 Authorised Capital : ₹ **200,00,000**
 Paid up Capital: ₹ **100,00,000**

We have examined the registers, records, books and papers of **FUTURE FRESHFOODS LIMITED** (the "Company") as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the financial period ended on 31 March 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial period:

1. the Company has kept and maintained all registers as stated in Annexure `A` to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. the Company has filed the forms and returns as stated in Annexure `B` to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under or thereafter with additional fees as may be prescribed.
3. the Company being a public limited Company has the minimum prescribed paid up capital during the period under scrutiny.
4. the Board of Directors duly meet thirteen (13) times respectively on 7 April 2010, 4 May 2010,

16 June 2010, 21 June 2010, 19 July 2010, 17 August 2010, 20 September 2010, 25 September 2010, 15 November 2010, 3 December 2010, 3 January 2011, 21 February 2011 and 3 March 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. the Company has not closed its Register of Members during the financial period.
6. The Company has newly incorporated on 6 April 2010 and yet to hold its first Annual General Meeting for the financial period 31 March, 2011.
7. There were four Extra-Ordinary General Meetings during the financial period under report which were held on 3 May 2010, 24 September 2010, 25 November 2010 and 25 March 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
8. the Company has not advanced any loans to its directors or persons or firms or companies referred in Section 295 of the Act, during the period under scrutiny.
9. the Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. the Company has complied with the requirements of maintaining the register required under section 301 of the Act.
11. there were no instances falling within the purview of Section 314 of the Act, and hence the company was not required to obtain any approvals from the Board of Directors, members or the Central Government pursuant to section 314 of the Companies Act.
12. there were no instances of issue of duplicate share certificates during the financial period.
13. the Company has:
 - (i) delivered all the certificates on allotment of securities and on transfer/transmission of shares in accordance with the provisions of the Act;
 - (ii) not declared any dividend during the financial period and hence there was no need to deposit the amount of dividend declared in a separate bank account;
 - (iii) not declared any dividend and hence there were no dividend warrants to be paid/posted during the financial period.
 - (iv) no balance of the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for seven years and accordingly there was no need for transfer of any such amount to Investor Education and Protection Fund.
 - (v) complied with the requirements of section 217 of the Act during the period under review.
14. the Board of Directors of the Company is duly constituted. There were appointed one Additional Director during the financial period ended 31 March 2011.
15. the Company has not appointed Whole-time Director/ Managing Director/ Manager during the financial period.
16. the Company has not appointed any sole-selling agents during the financial period.
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies as may be prescribed under the various provisions of the Act during the financial period.
18. the Directors have timely disclosed their interest in other firms/companies to the Board of Directors pursuant to the applicable provisions of the Act and the rules made thereunder.
19. Company has issued and allotted 950,000 equity shares (i.e 791,700 equity shares of Rs.10 each fully paid at a premium of 113/- per share and 158,300 equity shares of Rs.10 each at par respectively) during the financial period ending 31 March 2011.

20. the Company has not bought back any shares during the financial period ending 31 March 2011. The Company does not have any preference shares/debentures at the end of the financial period under report, hence, matter of redemption of any preference shares/debentures during the period does not arise.
21. the Company does not have any preference shares/ debentures at the end of the financial period under report, hence the matter of redemption of any preference shares/ debentures during the period does not arise.
22. the Company has not declared any dividend or issued any bonus shares or rights shares and hence, there was no need for keeping in abeyance rights to dividend, rights shares and bonus shares, pending registration of transfer of shares in compliance with the provisions of the Act.
23. the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A of the Act, during the financial period.
24. the amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial period ending 31 March 2011 were within the borrowing limits of the company and that necessary resolutions pursuant to section 293(1)(d) of the Companies Act, 1956 have been duly passed.
25. the Company has not made loans and investments, has give guarantees or provided securities to other bodies corporate during the period under scrutiny under Section 372A of the Companies Act, 1956.
26. the Company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one State to another State during the period under scrutiny.
27. the Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the period under scrutiny.
28. the Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the period under scrutiny.
29. the Company has amended the Capital Clause of Memorandum of Association during the financial period reflecting the increase in authorised equity share capital of the Company.
30. the Company has altered its Articles of Association for during the period under scrutiny at the extra ordinary general meeting held on 3 May 2010.
31. there were no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and there were no fines and penalties or any other punishment imposed on the company for any such offences during the period under scrutiny.
32. the Company has not received any security from its employees during the period under certification.
33. the Company has not deducted any contribution towards Provident Fund from the salaries of employees during the period under scrutiny.

Place: Mumbai

Date: 25/07/2010

Signature:

Name of Company Secretary: **K Bindu & Associates**

C.P. No.: 7378

**Annexure forming part of the report of even date issued for
M/s. Future Freshfoods Limited
For the financial period ending 31 March 2011.**

Annexure A

Registers as maintained by the Company

1. Register of members u/s 150
2. Register of Charges u/s 143
3. Register of Transfers
4. Register of Contracts u/s 301
5. Register of Directors u/s 303
6. Register of Directors' shareholdings u/s 307

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial period ending on 31 March 2011.

Sr. No.	Form No.	Filed under section	Particular	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form No. 2	75(1)	Return of allotment	05/02/2011	No	Yes
2.	Form No. 2	75(1)	Return of allotment	05/02/2011	No	Yes
3.	Form No. 5	97 or 94A(2)	Increase in Authorised Equity Share Capital	12/01/2011	No	Yes
4.	Form No. 22	165	Statutory Report	06/10/2010	No	Yes
5.	Form No. 23	192	Registration of Resolution	29/06/2010	No	Yes
6.	Form No. 32	303(2)	Appointment of Additional / Resignation of Director	14/07/2010	No	Yes
7.	Form No. 32	33(1) & (2)	Incorporation of Company	31/03/2010	Yes	NA
8.	Form No.18	146	Notice of Situation of Registered Office at the time of Incorporation	31/03/2010	Yes	NA
9.	Form No.1	303(2)	Appointment of Additional / Resignation Director	31/03/2010	Yes	NA
10.	Form No. 20	149(2)(b)	Declaration of Compliance	12/04/2010	Yes	NA

Auditors' Report

To

The Members of,

FUTURE FRESHFOODS LIMITED,

1. We have audited the attached Balance Sheet of **FUTURE FRESHFOODS LIMITED** as at 31 March 2011 and also the Profit and Loss Account of the company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), issued by the Central Government of India in terms sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far, as appears from our examination of those books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the mandatory Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the said Directors is disqualified as on 31st March, 2011 from being appointed as Directors of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011.
 - ii) in the case of the Profit and Loss Account, of the loss of the company for the period ended on that date.
 - iii) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For GMJ & Co

Chartered Accountants
FRN NO. 103429W

(CA S.MAHESHWARI)

Partner

M. No. 38755

PLACE : MUMBAI

DATE : 25.07.2011

**Annexure To The Auditors' Report
(Referred to in Paragraph 3 of our Report of Even Date)**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the fixed assets have been physically verified by the company during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
(c) The Company has not disposed off any Fixed Assets during the financial year and hence the provisions of clause i (c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956. Therefore, the provisions of clause (iii) (b), (c), (d) of the Companies (Auditor's Report) Order 2003, (as amended) are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. According to information and explanation given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301. Therefore, the provisions of clause (v) (b) of the Companies (Auditor's Report) Order 2003, (as amended) are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 58A, 58AA or any other relevant provisions of the Acts and Rules framed there under.
- vii. The Company is in the first year of operation and in the process of putting an internal audit system commensurate with the size of the company and the nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the company. Accordingly the provisions of clause 4(viii) of paragraphs 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- ix. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, excise duty, customs duty and cess were in arrears, as at 31st March 2011.
- x. The Company is not in existence for five years or more. Hence, the provisions of clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xi. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institution or bank and hence provisions of clause (xi) of paragraphs 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xii. In our opinion and according to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society and hence the provisions of clause (xiii) of paragraph 4 the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Hence, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. In our opinion and according to information and explanations given to us, the Company has not given any guarantees for the loan taken by others from bank or financial institutions. Hence the provision of clause (xv) of paragraph 4 of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi. The Company does not have any term loan and hence the provisions of clause (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period.

For GMJ & Co

Chartered Accountants

FRN NO. 103429W

(CA S.MAHESHWARI)

Partner

M. No. 38755

PLACE : MUMBAI

DATE : 25.07.2011

BALANCE SHEET AS AT MARCH 31, 2011

PARTICULARS	Schedule	As At March 31, 2011 ₹
SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS		
Share Capital	1	10,000,000
Reserves & Surplus	2	<u>89,462,100</u>
TOTAL		<u><u>99,462,100</u></u>
APPLICATION OF FUNDS :		
FIXED ASSETS		
Gross Block	3	12,458,386
Less: Depreciation		<u>7,384,863</u>
Net Block		5,073,523
Capital work in progress		<u>139,657</u>
		<u>5,213,180</u>
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories	4	516,891
Sundry Debtors	5	8,462,832
Cash and Bank Balances	6	67,479,281
Loans and Advances	7	<u>2,546,072</u>
		<u>79,005,076</u>
LESS : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	8	24,799,397
Provisions	9	<u>488,522</u>
		<u>25,287,919</u>
NET CURRENT ASSETS		53,717,157
DEFERRED TAX ASSET		12,524,314
PROFIT AND LOSS ACCOUNT		<u>28,007,448</u>
TOTAL		<u><u>99,462,100</u></u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	14	

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date
For GMJ & Co

CHARTERED ACCOUNTANTS

FRN No. 103429W

Sanjeev Maheshwari

Partner

Membership No.: 38755

For and on behalf of Board of Directors

Sanjay Rathi

Director

Damodar Mall

Director

Place : Mumbai

Dated : 25.07.2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 6TH APRIL 2010 TO 31ST MARCH 2011

PARTICULARS	2010-2011 ₹
INCOME	
Sales and Operating Income	42,968,656
Other income	10 <u>219,124</u>
	43,187,780
EXPENDITURE	
Cost of Goods Sold	11 41,593,204
Personnel Cost	12 17,413,711
Operating and Other Expenses	13 17,327,764
Depreciation	7,384,863
	<u>83,719,542</u>
LOSS BEFORE TAXATION	(40,531,762)
PROVISION FOR TAXATION	
Deferred Tax	<u>(12,524,314)</u>
	<u>(12,524,314)</u>
LOSS AFTER TAXATION	(28,007,448)
LOSS CARRIED FORWARD	(28,007,448)
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	14
Earning Per Share (Basic/Diluted) in ₹ (Refer Note - 12)	
Basic	(76.94)
Diluted	(76.94)
The Schedules referred to above form an integral part of the Profit and Loss Account.	

As per our Report of even date
For GMJ & Co

CHARTERED ACCOUNTANTS

FRN No. 103429W

Sanjeev Maheshwari

Partner

Membership No.: 38755

For and on behalf of Board of Directors

Sanjay Rathi

Director

Damodar Mall

Director

Place : Mumbai

Dated : 25.07.2011

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

As At
March 31, 2011
₹

SCHEDULE 1 : SHARE CAPITAL

Authorised

20,00,000 Equity shares of ₹10/- each

20,000,000

Issued, Subscribed and Paid up

10,00,000 Equity shares of ₹10/- each fully paid

(Of the above: 7,91,700 Equity shares of ₹10/- each are held by Future Value Retail Limited, the Holding Company)

10,000,000

SCHEDULE 2 : RESERVES AND SURPLUS

Share Premium

Received during the period

89,462,100

89,462,100

SCHEDULE 3: FIXED ASSETS

(In ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK
	Additions	Deductions	As at	For the Period	On Deduction	Up to	As at
	During the Period		31/03/2011			31/03/2011	31/03/2011
Furniture and Fittings	9,149,562	-	9,149,562	7,199,401	-	7,199,401	1,950,161
Office Equipments	1,127,070	-	1,127,070	159,089	-	159,089	967,981
Computers and Software	855,319	-	855,319	17,915	-	17,915	837,404
Air Conditioners	1,326,435	-	1,326,435	8,458	-	8,458	1,317,977
TOTAL	12,458,386	-	12,458,386	7,384,863	-	7,384,863	5,073,523
Capital Work in Progress							139,657

SCHEDULE 4 : INVENTORIES

(At the lower of cost or net realisable value)

Inventories - Finished Goods

516,891

SCHEDULE 5 : SUNDRY DEBTORS

(Unsecured and considered good unless otherwise stated)

Outstanding over six months

Others (Refer Note - 9)

-

8,462,832

8,462,832

SCHEDULE 6 : CASH AND BANK BALANCES

Cash on Hand

16,742

Balances with Scheduled Banks

(i) In Current Account

57,462,539

(ii) In Deposit Account

10,000,000

67,479,281

SCHEDULE 7 : LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

Loans and Advances recoverable in cash or in kind or for value to be received

586,871

Deposits

1,937,500

Advance Payment of Taxes (Net of Provision for taxation)

21,701

2,546,072

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011As At
March 31,2011
₹**SCHEDULE 8 : CURRENT LIABILITIES**

Sundry Creditors	
Due to Micro, Small and Medium Enterprises	-
Others (Refer Note - 10)	23,526,569
Other Liabilities	1,272,828
	<u>24,799,397</u>

SCHEDULE 9 : PROVISIONS

Gratuity	257,625
Leave Encashment	230,897
	<u>488,522</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 6 APRIL 2010 TO 31 MARCH 20112010-11
₹**SCHEDULE 10 : OTHER INCOME**

Other income	2,111
Interest Income - Bank	217,013
(TDS ₹ 21,701/-)	<u>219,124</u>

SCHEDULE 11 : COST OF GOODS SOLD

Purchases	42,110,095
Less: Closing Stock	516,891
Cost of Goods Sold	<u>41,593,204</u>

SCHEDULE 12 : PERSONNEL COST

Salaries, Wages, Gratuity, Bonus and Other Allowances	17,215,880
Contribution to Provident Fund and Other Funds and Administration Charges	190,265
Employee Welfare Expenses	7,566
	<u>17,413,711</u>

SCHEDULE 13 : OPERATING AND OTHER EXPENSES

Labour Charges	797,327
Packing Materials	199,811
Power and Fuel	132,000
Rent	1,386,230
Repairs and Maintenance - Others	30,408
Rates and Taxes	201,393
Insurance	79,508
Auditor's Remuneration	175,000
Legal and Professional Fees	6,976,362
Freight and Cartage	3,910,950
Travelling and Conveyance expenses	1,926,352
Capital Issue Expenses w/o	319,054
Preliminary Expenses w/o	558,869
Other Expenses	634,500
	<u>17,327,764</u>

SCHEDULE 14 : NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with applicable accounting standards notified by the Government of India/issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Difference between the actual results and estimates is recognised in the period in which the results are known/materialized.

3. Fixed Assets & Depreciation

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use. Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except Leasehold improvements which are amortised over the lease period.

4. Inventories

Finished goods : At the lower of cost or net realisable value

Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is computed on weighted average basis.

5. Revenue Recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection. Sale of Goods is accounted on delivery to customers when significant risks and rewards of ownership gets transferred to the buyer. Sales is net of returns and discounts. Interest income is recognized on accrual basis.

6. Retirement and other employee benefits

Short Term Employee Benefits:

Short Term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post Employment Benefits:

Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss account.

7. Provision for current and deferred tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

8. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

9. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level of cash generating units.

10. Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereon are charged to Profit and Loss account.

11. Earning Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

B. NOTES ON ACCOUNTS:**1. DEFERRED TAX:**

As per Accounting Standard (AS-22) on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI), the deferred tax asset comprises of the following :

Particulars	2010-2011
Deferred Tax Assets	
Related to Fixed Assets	2,004,413
Disallowances under the Income Tax Act,1961/Provisions	289,106
Unabsorbed Depreciation	2,004,413
Carried Forward Business Loss	8,226,382
Deferred Tax Assets	12,524,314

The timing differences result in a net deferred asset, relating mainly to carried forward losses under the Income Tax Act, 1961. The deferred tax asset has been recognized as

(₹)

the company is in first year of operation, business is for part of the year and in the current year operation have started in full swing. The management is certain that sufficient future taxable income will be available against which such net deferred tax assets can be realized.

2. QUANTITATIVE INFORMATION:

The Company is in the business of distribution in which the range of products in terms of quantity, quality and unit of measurement is not uniform. Hence, the quantitative information with respect to closing stock, purchases and sales cannot be disclosed.

3. DISCLOSURE IN RESPECT OF LEASES:

The Company's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.

- a. The total of future minimum lease payments during lock in period of operating leases for each of the following periods :

		(₹)
Particulars		2010-2011
i.	Not later than one year	6,235,250
ii.	Later than one year and not later than five years	16,389,747
iii.	Later than five years	14,720,739
b.	Lease payments recognised in the statement of Profit & Loss for the period :	
	Minimum lease payments	1,386,230

(₹)
2010-2011

4. CONTINGENT LIABILITY:

Nil

5. AUDITORS' REMUNERATION:

		(₹)
Particulars		2010-2011
	Audit Fees	150,000
	Tax Audit and Other Services	25,000
		175,000

6. EMPLOYEE BENEFITS PROVISIONS:

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

I. Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognised as expense for the period are as under:

		(₹)
		2010-2011
	Employers' Contribution to Provident Fund	189,797

II. Defined Benefit Plans:

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
	2010-2011 (₹)	2010-2011 (₹)
Change in present value of obligation		
Interest Cost	-	-
Service Cost	146,022	99,508
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	111,603	131,389
Present value of obligation, as at 31st March 2011	257,625	230,897
Change in plan assets		
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at 31st March 2011	-	-
Amount recognised in the Balance Sheet		
Present value of obligation, as at 31st March 2011	257,625	230,897
Fair value of plan assets as at 31st March 2011	-	-
Net obligation as at 31st March 2011	257,625	230,897
Net gratuity cost for the year ended 31st March 2011		
Current Service Cost	146,022	99,508
Interest Cost	-	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognised	111,603	131,389
Net gratuity cost	257,625	230,897
Assumptions used in accounting for the gratuity plan		
	%	%
Discount Rate	8.00	8.00
Salary escalation rate	5.00	5.00
Expected rate of return on plan assets	N.A.	N.A.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets.

- The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been made.

8. RELATED PARTY DISCLOSURES:

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below :

1. Relationships :

- (i) Holding Company:
Future Value Retail Limited
- (ii) Ultimate Holding Company:
Pantaloon Retail (India) Limited
- (iii) Fellow Subsidiary:
Future Supply Chain Solutions Limited
- (iv) Key Management Personnel:
Mr. K.Radhakrishnan Kutty

2. The following transactions were carried out with the related parties in the ordinary course of business :

- (i) Details relating to parties referred to in items 1(i), (ii), (iii) and (iv) above

(In ₹)

Nature of Transactions	Future Value Retail Ltd.	Pantaloon Retail (India) Ltd.	Future Supply Chain Solutions Ltd.	Key Management Personnel
	2010-2011	2010-2011	2010-2011	2010-2011
Sales and Operating Income	40,459,980	-	-	-
Expenditure on services and Others	223,935	4,803,650	5,059,050	-
Remuneration to Key Management Personnel	-	-	-	10,123,364
Advance & Deposit given	71,000,000	-	-	-
Issue of share capital (incl. Premium)	97,379,100	-	-	2,083,000
Outstanding balances as on 31/03/2011	7,437,068	-	-	-
Receivable				
Payable	-	4,472,897	5,059,050	-

9. SUNDRY DEBTORS

Includes ₹ 74,37,068/-due from Future Value Retail Limited (holding company).

10. SUNDRY CREDITORS

Includes Pantaloon Retail (India) Ltd. ₹ 44,72,897/- and Future Supply Chain Solutions Ltd. ₹ 50,59,050/-

11. SEGMENT REPORTING

The Company regards the business distribution as a single reportable segment.

12. EARNINGS PER SHARE:

	(In ₹)
	2010-2011
Loss after taxation	(28,007,448)
Weighted average number of equity shares outstanding	364,028
Basic Earnings Per Share	(76.94)
Diluted Earning Per Share	(76.94)
Nominal Value of Shares	10

- 13.** The company was incorporated on 6th April 2010 and received the certificate for commencement of business on 13th April 2010. Thus the accounts pertains to the period 6th April 2010 to 31st March 2011 and this is the first year of operation of the company, therefore previous year figures are not applicable.

For and on behalf of the Board of Directors

Sanjay Rathi
Director

Damodar Mall
Director

Place : Mumbai
Dated : 25.07.2011

CASH FLOW STATEMENT FOR THE PERIOD FROM 6TH APRIL 2010 TO 31ST MARCH 2011

	₹	2010-2011	₹
A. Cash Flow from Operating Activities :			
Net Profit/(Loss) Before Taxes		(40,531,762)	
Adjustment for:			
Depreciation	7,384,863		
Interest income	(217,013)		
		<u>7,167,850</u>	
Operating Profit/(Loss) Before Working Capital Changes		(33,363,912)	
Adjustments for:			
Inventories	(516,891)		
Sundry Debtors	(8,462,832)		
Loans and Advances	(2,524,371)		
Creditors and Other Payables	25,287,919		
		<u>13,783,825</u>	
Cash Generated from Operations		(19,580,087)	
Direct Taxes paid (net of refund received)		(21,701)	
Net Cash Flow from Operating Activities		<u>(19,601,788)</u>	
B. Cash Flow from Investing Activities :			
Acquisition of fixed assets	(12,598,044)		
Interest Received	217,013		
Net Cash used in Investing Activities		<u>(12,381,031)</u>	
C. Cash Flow from Financing Activities :			
Proceeds from issuance of share capital	99,462,100		
Net Cash used in Financing Activities		<u>99,462,100</u>	
Net increase in Cash and Cash equivalents		<u>67,479,281</u>	
Cash and Cash equivalents (Opening balance)		-	
Cash and Cash equivalents (Closing balance)		<u>67,479,281</u>	

NOTES:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) 3 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.
2. Figures in brackets are outflows/deductions.
3. The company was incorporated on 6th April 2010 and received the certificate for commencement of business on 13th April 2010 and this is the first year of operation of the company, therefore previous year figures are not applicable.

For GMJ & Co
 CHARTERED ACCOUNTANTS
 FRN No. 103429W

For and on behalf of the Board

Sanjeev Maheshwari
 Partner
 Membership No.: 38755

Sanjay Rathi
 Director

Damodar Mall
 Director

Place : Mumbai
 Dated : 25.07.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:
INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

I. Registration Details:			
Registration No.	U01403MH2010PL201760	State Code	11
Balance Sheet date	31/03/2011		
II. Capital raised during the year (Amount in ₹)			
Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Private Placement	10,000,000
III. Position of Mobilisation and Development of Funds (Amount in ₹)			
Total liabilities	124,750,019	Total assets	124,750,019
Sources of Funds:			
Paid up Capital	10,000,000	Reserve & Surplus	89,462,100
Dererred Tax	12,524,314	Unsecured Loans	NIL
Secured Loans	NIL		
Application of Funds:			
Net Fixed Assets	5,213,180	Investments	NIL
Net Current Assets	53,717,157	Misc.Expenditure	NIL
Accumulated Losses	28,007,448		
IV. Performance of Company (Amount in ₹)			
Turnover*	43,187,780	Total Expenditure	83,719,542
Profit before Tax	(40,531,762)	Profit after Tax	(28,007,448)
*Including other Income			
Earnings per Share ₹	(76.94)	Dividend rate%	-
V. Generic Names of three principal Products / Services of Company (As per Monetary Terms)			
Item Code No.	Product Description		
N.A.	N.A.		

For Future Freshfoods Ltd.

Sanjay Rathi **Damodar Mall**
Director Director

Place : Mumbai
Dated : 25.07.2011

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Future Value Retail Limited^v



Certified True Copy

For Future Value Retail Limited


Company Secretary / Director

Annual Report
2009-10

468

BOARD OF DIRECTORS

Shailesh Haribhakti
 Chandra Prakash Toshniwal
 Rajesh Kalyani
 Sanjay Rathi

STATUTORY AUDITORS

NGS & Co.
 Chartered Accountants

REGISTERED OFFICE

Knowledge House, Shyam Nagar
 Off. Jogeshwari - Vikhroli Link Road
 Jogeshwari (East)
 Mumbai - 400060

INDEX

Particulars	Page No.
Report of the Board	2
Auditors' Report	5
Balance Sheet	10
Profit and Loss Account	11
Schedules	12
Cash Flow Statement	23

Report of the Board

To,
The Members
Future Value Retail Limited

Your Directors are pleased to present the Third Annual Report of the Company for the financial period 30th June 2010.

FINANCIALS

(Rs. in Crore)

	For the 15 months' period ended 30 June 2010	For the year ended 31 March 2009
Turnover	2991.71	Nil
Other income	1.10	0.02
Total Income	2992.81	0.02
Depreciation	50.44	Nil
Other Expenditure	2867.70	0.03
Total expenditure	2918.14	0.03
Profit before tax	74.67	(0.01)
Taxes	24.07	Nil
Profit after tax	50.60	(0.01)
Appropriation:		
Debtore Redemption Reserves	25.00	Nil
Earning Per Share-Basic and Diluted (Rs.)	13.99	(0.02)

COMMENCEMENT OF VALUE RETAIL BUSINESS

The Company is 100% subsidiary of Pantaloon Retail (India) Limited (PRIL), a leading organized retailer in the country. Pursuant to the realignment plans of PRIL, Value Retail Business comprising of Big Bazaar, Food Bazaar and other value retail formats such as Depot, Fashion@Big Bazaar, Fashion Station, Health Village, Wholesale Club and Navras were transferred to the Company with effect from 1st January 2010. The transfer of Value Retail Business was warranted to ensure more focused approach towards the Value Retail Business, which has reached a critical mass and needs to be identified separately to ensure further growth of the said business.

BUSINESS OVERVIEW, GROWTH AND EXPANSION

After purchase of Value Retail Business from its holding company, Retail now forms the core business activity of your Company. Your Company operates 125 Big Bazaar stores, Food Bazaar as store in store in Big Bazaar and other formats of the group, 30 Standalone Food Bazaar stores, and other value formats in over 72 cities, across the country, covering an operational retail space of over 7.25 million square feet as on 31st March, 2010.

"Big Bazaar" brand as inherited from its holding company, is a hypermarket format that combines the look, touch and feel of Indian bazaars with the choice and convenience of modern retail and believes in developing strong insights on Indian consumers and building businesses based on Indian ideas. We wish to continue the same image and convenience around this brand.

Your Company, through its various initiatives, aims to capture maximum share of consumer spending through its various retail formats. Company's modern retail formats are offering all types of products and services to the customer thereby increasing choice and consumption and resulting in acceleration of overall economic growth. The Company, thus, intends to cater to various segments of the consumer spending space in India by providing goods and services that a customer would require at a convenient location and with appropriate ambience to the said customer.

Further, the Company has also taken over operations of 'KB's Fair price', a retail format of foods and staples store with concept of round the corner shop, with more than 100 standalone stores across select cities. The speciality of these stores is to meet the customers' daily food requirements at lower prices comparing with national brands and local brands. The Company proposes to expand KB's Fair Price shops in select towns across the nation. This acquisition was with the objective of going near to the customers.

As a focused entity driving the growth through value retail business, your Company will continue to deliver more value to its all stakeholders and communities across the country and shape the growth of modern retail in India and for the Company itself.

DIVIDEND

With a view to conserve the financial resources, your Directors do not recommend any dividend on equity shares of the Company.

FIXED DEPOSITS

During the period ended on 30th June 2010, the Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

In terms of Section 255 and 256 the Companies Act, 1956, Mr. Sanjay Rathi retires at the ensuing Annual General Meeting of the Company and being eligible, offers himself for the appointment as Director.

The Board had appointed Mr. Shailesh Haribhakti, who was nominated by the Company's holding Company, as an Additional Director (termed as an Independent Director) w.e.f. 27th August 2010 and who holds office as such till the date of ensuing Annual General Meeting. The Company is in receipt of a notice from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Shailesh Haribhakti for the appointment as a Director liable to retire by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts for the financial period ended 30th June, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profits of the Company for the financial period ended 30th June 2010;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that the Directors have prepared the accounts for the financial period ended 30th June, 2010 on a 'going concern' basis.

AUDITORS

M/s. NGS & Co., Chartered Accountants, shall retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have issued a certificate to the effect that their re-appointment, if made at the ensuing Annual General Meeting, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Members are requested to consider and approve the re-appointment of M/s. NGS & Co. as Auditors of the Company.

PARTICULARS OF EMPLOYEES

The Statement containing particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is given as Annexure - I appended hereto and forms part of this Report.

AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 comprising the following Directors:

1. Mr. C P Toshniwal
2. Mr. Sanjay Rath
3. Mr. Rajesh Kalyani

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Form A to the Annexure to the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 does not apply to the Company. However, there is no expenditure on R&D, Technology Absorption, adoption & innovation during the current financial year. The Company being concentrating on the domestic consumption space, does not have any specific exports initiatives to report to Members. However, the Company earned foreign exchange by way of sale against foreign credit cards and foreign exchange received from customers.

Foreign Exchange Earnings & Outgo :

(Rs. in Crore)

FOREIGN EXCHANGE OUTGO	For 15 months period ended 30 June 2010	For the year ended 31 March 2009
Foreign exchange outgo	0.09	Nil
Earnings in Foreign Currency	9.21	Nil

ACKNOWLEDGEMENT

Your Directors also wish to place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by the Government, clients, bankers, investors and other government agencies and look forward to their continued patronage in future.

For and on behalf of Board of Directors
Future Value Retail Limited

Director Director

Place : Mumbai

Date : 27th August, 2010

Auditors' Report

The Members of Future Value Retail Limited

1. We have audited the attached Balance Sheet of Future Value Retail Limited as at June 30, 2010 and also the Profit and Loss account and the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the Directors, as on June 30, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on June 30, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes to accounts of Schedule 19 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For NGS & CO;
Chartered Accountants
Firm Registration no. 119850W

Navin T. Gupta
Partner
Membership No.:40334
Mumbai
Date: August 27, 2010

Annexure to the Auditors Report

Re: Future Value Retail Limited ('the Company')

With reference to the Annexure referred to in Paragraph 3 of the report of the Auditors to the members of the company for the period ended June 30, 2010. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has physically verified certain assets during the period in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) There was no substantial disposal of fixed assets during the year.
- ii. (a) The Company has conducted physical verification of inventory at regular intervals during the period.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and its nature of business.
(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the company.
- iii. The Company has not granted or taken any loan, secured/unsecured to/from Companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. Further, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v. In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
 - a. To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b. According to the information and explanations given to us, the transactions made in pursuance of these contracts or arrangements referred to in V(a) above and exceeding the value of Rs five lakhs with any party during the period have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's products. Accordingly, the provision of clause 4(viii) of paragraph 4 of the Companies (Auditors Report) Order 2003 (as amended) is not applicable to the Company.

- ix. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed statutory dues as above were outstanding as at June 30, 2010 for a period of more than 6 months from the date they became payable.

Further, since the Central Government of India has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, there is no statutory due payable under Section 441A of the Act.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, service tax, sales-tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, investor education and protection fund, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, service tax, and cess which have not been deposited on account of any dispute.
- x. The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial period is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial period and in the immediately preceding financial period.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- xii. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the question of maintenance of adequate records for this purpose does not arise.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Companies (Auditors Report) Order 2003(as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the Companies (Auditors Report) Order 2003(as amended) are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken from banks.
- xvi. In our opinion and according to the information and explanations given to us, the term loans obtained during the period have prima facie been applied for the purpose for which they were taken.
- xvii. According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has made preferential allotments of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 and the price at which shares have been issued is not prejudicial to the interests of the Company.
- xix. During the period covered by our audit report, the Company has created security or charge in respect of debentures issued.

- xx. The Company has not raised any money by public issues during the period. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors Report) Order 2003(as amended) are not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the period, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

For NGS & Co.

Chartered Accountants

Firm Registration no. 119850W

Navin T. Gupta

Partner

Membership No. 40334

Place: Mumbai

Dated: August 27, 2010

ACCOUNTS

BALANCE SHEET AS AT JUNE 30, 2010

PARTICULARS	Schedule	As At	As At
		June 30, 2010 (Rs. in Crores)	March 31, 2009 (Rs. in Crores)
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	66.50	2.10
Reserves & Surplus	2	961.86	26.40
		1,028.36	28.50
Loan Funds			
Secured Loans	3	1,297.63	-
Unsecured Loans	4	231.34	-
		1,528.97	-
Deferred Tax Liability		56.30	-
		2,613.63	28.50
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	5	1,257.44	-
Less : Depreciation		50.41	-
Net Block		1,207.03	-
Capital work-in-progress (Including advances)		224.07	-
Investments	6	0.24	28.30
Current Assets, Loans & Advances			
Inventories	7	1,132.54	-
Sundry Debtors	8	147.50	-
Cash & Bank Balances	9	63.48	0.01
Loans & Advances	10	606.09	-
		1,949.61	0.01
Less : Current Liabilities & Provisions			
Current Liabilities	11	747.96	-
Provisions	12	19.36	-
		767.32	-
Net Current Assets		1,182.29	0.01
Profit & Loss Account		-	0.19
		2,613.63	28.50

Significant Accounting Policies and Notes to Accounts 19

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date attached

For NGS & CO.
Chartered Accountants

Navin T. Gupta
Partner
Membership No.:40334

Place : Mumbai
Date : 27th August, 2010

For and on behalf of Board of Directors

Shailesh Haribhakti
Director

C.P.Toshniwal
Director

Rajesh Kalyani
Director

Sanjay Rathi
Director

Rupali Bhutada
Assistant Company
Secretary

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2009 TO JUNE 30, 2010

PARTICULARS	Schedule	April 1, 09 to June 30, 10 (15 Months) (Rs. in Crores)	April 1, 08 to March 31, 09 (12 Months) (Rs. in Crores)
INCOME			
Sales & Operating Income	13	2991.71	-
Other Income	14	1.10	0.02
		<u>2992.81</u>	<u>0.02</u>
EXPENDITURE			
Cost of goods sold	15	2243.05	-
Personnel cost	16	114.46	-
Operating & other expenses	17	407.16	0.03
Finance charges	18	103.03	-
Depreciation	5	50.44	-
		<u>2918.14</u>	<u>0.03</u>
Profit Before Tax		<u>74.67</u>	<u>(0.01)</u>
Less: Tax Expenses	19(B)(11)	24.07	-
Profit/(Loss) After Tax		50.60	(0.01)
Add : Balance brought forward		(0.19)	(0.18)
Available for Appropriation		50.41	(0.19)
Debtenture Redemption Reserve		25.00	-
Balance carried to Balance Sheet		<u>25.41</u>	<u>(0.19)</u>
Earning Per Share in Rs. (Face Value Rs. 10)			
Basic & Diluted	19(B)(13)	13.99	(0.00)

Significant Accounting Policies and Notes to Accounts 19

The Schedules referred to above form an integral part of the Profit & Loss Account

As per our Report of even date attached

For NGS & CO.
Chartered AccountantsNavin T. Gupta
Partner
Membership No.:40334Place ; Mumbai
Date : 27th August, 2010

For and on behalf of Board of Directors

Shailesh Haribhakti
DirectorRajesh Kalyani
DirectorRupali Bhutada
Assistant Company
SecretaryC.P.Toshniwal
DirectorSanjay Rathi
Director

SCHEDULES TO BALANCE SHEET AS AT JUNE 30, 2010

	As At June 30,2010 (Rs. in Crores)	As At March 31,2009 (Rs. in Crores)
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
100,000,000 (25,000,000) Equity Shares of Rs.10/- each.	100.00	25.00
	<u>100.00</u>	<u>25.00</u>
Issued, Subscribed & Paid Up		
664,99,912 (21,00,000) Equity Shares of Rs.10/- each. (Out of above 664,99,912 (21,00,000) equity share of Rs. 10 each fully paid up are held by Pantaloon Retail (India) Limited, the holding Company) (2,63,99,912 Equity Share of Rs. 10/- each fully paid up allotted as fully paid-up Bonus share by capitalisation of Share Premium)	66.50	2.10
	<u>66.50</u>	<u>2.10</u>
SCHEDULE 2 : RESERVES & SURPLUS		
Share Premium		
Balance, at beginning of the year	26.40	21.60
Add : Premium received during the year	912.00	4.80
Less : Utilised for share issue expenses	0.55	-
Less: Utilised for bonus shares Issued	26.40	-
	<u>911.45</u>	<u>26.40</u>
Debenture Redemption Reserve		
Balance at begining of the year	-	-
Add : Transfer from Profit & Loss Account	25.00	-
	<u>25.00</u>	<u>-</u>
Profit and Loss Account	25.41	-
	<u>961.86</u>	<u>26.40</u>
SCHEDULE 3 : SECURED LOANS		
(1) Non Convertible Debentures	500.00	-
(2) Term Loans From Banks		
a) Foreign Currency Loans	56.02	-
b) Rupee Loans	438.90	-
(3) Working Capital Loans From Banks		
Rupee Loan	302.71	-
	<u>1297.63</u>	<u>-</u>
SCHEDULE 4 : UNSECURED LOANS		
From Banks		
Long Term	193.33	-
Short Term	25.01	-
Inter Corporate Deposits	13.00	-
	<u>231.34</u>	<u>-</u>

480

SCHEDULES TO BALANCE SHEET AS AT JUNE 30, 2010
Schedule 5 : FIXED ASSETS

(Rs. In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATIONS			NET BLOCK		
	As at 01/04/2009	Additions	Deductions	As at 30/06/2010	Up to 31/03/2009	Adjustment for the period	Depreciation for the period	Up to 30/06/2010	As at 31/03/2009
Building & Leasehold Improvement	-	208.22	1.20	207.02	-	0.01	15.75	16.74	19.25
Plant & Machinery	-	31.32	0.01	31.32	-	0.00	0.69	0.69	90.63
Office Equipments	-	19.26	0.11	19.15	-	0.00	0.47	0.47	15.69
Computers & Software	-	152.19	0.77	151.42	-	0.01	11.20	11.20	140.22
Furniture & Fittings	-	456.90	1.46	455.44	-	0.01	13.53	13.52	247.52
Electrical Installations	-	271.73	0.57	271.16	-	0.00	6.07	6.06	265.09
Vehicles	-	0.37	-	0.37	-	-	0.02	0.02	0.65
Air Conditioners	-	122.30	0.73	121.57	-	0.00	2.72	2.72	118.65
Total	-	1,262.29	4.85	1,257.44	-	0.03	50.44	50.41	1,207.03
Previous Year	-	-	-	-	-	-	-	-	-

SCHEDULES TO BALANCE SHEET AS AT JUNE 30, 2010

	As At June 30,2010 (Rs. in Crores)	As At March 31,2009 (Rs. in Crores)
SCHEDULE 6 : INVESTMENTS		
LONG TERM INVESTMENT		
Non-Trade		
In Equity Shares - Unquoted, Fully paid up of Rs. 10/ each unless otherwise stated		
NIL, (2,77,93,700) Equity Shares of Future Ventures India Limited	-	28.08
In Government Securities - Unquoted		
National Saving Certificates (Deposited with Government Authorities)	0.02	-
CURRENT INVESTMENT		
In Mutual Fund		
1,99,038 Units of LIC Mutual Fund Liquid plus Growth Fund (Market Value as at June 30 /March 31 is Rs. 0.25 Crores/Rs. 0.25 Crores)	0.22	0.22
	0.24	28.30
SCHEDULE 7 : INVENTORIES		
Packing Materials	11.77	-
Finished Goods (Including In-Transit)	1120.77	-
	1132.54	-
SCHEDULE 8 : SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts due for less than six months	147.50	-
	147.50	-
SCHEDULE 9 : CASH & BANK BALANCES		
Cash in Hand	13.24	-
Balance with Scheduled Banks :		
- in Current Accounts (including in transit)	50.23	0.01
- in Margin Money Deposit Accounts	0.01	-
	63.48	0.01
SCHEDULE 10: LOANS & ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in cash or in kind for value to be received	74.23	-
Deposits	531.86	-
	606.09	-
SCHEDULE 11: LIABILITIES		
Acceptances	406.12	-
Sundry Creditors	307.47	-
Advances from customers	9.20	-
Other Liabilities	22.45	-
Interest accrued but not due	2.72	-
	747.96	-
SCHEDULE 12: PROVISIONS		
Gratuity and Leave Encashment	8.19	-
Taxation (Net of Advance Payment)	11.17	-
	19.36	-

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR PERIOD FROM APRIL 1, 2009 TO JUNE 30, 2010

	April 1, 09 to June 30, 10 (15 Months) (Rs. in Crores)	April 1, 08 to March 31, 09 (12 Months) (Rs. in Crores)
SCHEDULE 13: SALES & OPERATING INCOME		
Sales	3099.53	-
Less: VAT	173.92	-
	2925.61	-
Other Operating Income	66.10	-
	2991.71	-
SCHEDULE 14: OTHER INCOME		
Miscellaneous Income	1.10	0.02
	1.10	0.02
SCHEDULE 15: COST OF GOODS SOLD		
Purchase of finished goods (Refer note schedule 19 B (16))	3363.82	-
Less : Closing Stock of finished goods	1120.77	-
	2243.05	-
SCHEDULE 16: PERSONNEL COST		
Salaries, Wages & Bonus	99.79	-
Welfare expenses	3.55	-
Contribution to Provident & Other Funds	6.81	-
Gratuity and Leave Encashment	4.31	-
	114.46	-
SCHEDULE 17: OPERATING & OTHER EXPENSES		
Packing Material	22.55	-
Power & Fuel	47.35	-
Repairs & Maintenance		-
Building	0.04	-
Plant & Machinery	0.21	-
Others	6.35	-
	6.60	-
Rent including lease rentals	154.38	-
Mall Maintenance Charges	45.91	-
Rates & Taxes	5.51	-
Donation	0.01	-
Insurance	0.75	-
Auditors' Remuneration	0.31	0.01
Commission	3.93	-
Advertisement & Marketing	63.04	-
Loss on Sale/Discarding Assets (Net)	4.06	-
Other Expenses	52.56	0.02
	407.16	0.03
SCHEDULE 18 : FINANCE CHARGES		
Interest : on Debenture and Fixed Loans	59.83	-
Others	27.55	-
Discounting and Other Charges	15.78	-
Exchange Fluctuation (Gain)/ Loss	(0.06)	-
	103.10	-
Less : Interest Income (TDS : NIL, 2009 NIL)	0.07	-
	0.07	-
	103.03	-

SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FROM 1ST APRIL 2009 TO 30TH JUNE 2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with applicable accounting standards notified by the Government of India/issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Difference between the actual results and estimates is recognised in the period in which the results are known/materialized.

3. Fixed Assets and Depreciation

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use. Financing and other cost relating to acquisition of fixed assets are also included to the extent they relate to the period till such time as the assets are ready for commercial operation. Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except Leasehold improvements which are amortised over the lease period and employee perquisite- related assets which are depreciated over three years. Intangible Assets are amortised over their useful life not exceeding ten years.

4. Investments

Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution is being made, if necessary, to recognise a decline, other than temporary in the value thereof.

5. Inventories

Inventories are valued as follows :

- a) Packing material : At Cost
- b) Finished goods : At the lower of cost or net realisable value

Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is computed on weighted average basis.

6. Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in profit and loss account.

7. Revenue Recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection. Sale of Goods is accounted on delivery to customers. Sales is net of returns, discounts and Value Added Tax. Interest income is recognized on accrual basis.

8. Retirement and other employee benefits

Short Term Employee Benefits:

Short Term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post Employment Benefits:

Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss account.

9. Provision for current and deferred tax

- Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.
- Tax Expenses comprise of current tax and deferred tax. The provision for current income tax is the aggregate of the provision for 12 months ended March 31,2010 and the estimated provision based on the taxable profit of remaining 3 months upto June 30,2010,the actual tax liability, for which, will be determined on the basis of the results for the period April 1,2010 to March 31,2011.

10. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

11. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level of cash generating units.

12. Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereon are charged to Profit and Loss account.

B. NOTES ON ACCOUNTS

- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceeding year included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. Current year figures are for 15 months and are therefore not comparable with the previous year.
- As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

A. Change in Present Value of Obligation

(Rs. in Crores)

Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Present Value of the Obligation as on January 1, 2010*	-	2.69	1.49
Interest Cost	-	0.11	0.06
Current Service Cost	-	0.90	0.85
Benefits Paid	-	0.06	0.24
Actuarial (gain)/ loss on obligations	-	0.90	1.49
Present Value of the Obligation as on June 30, 2010		4.54	3.65

* Transferred to company under business transfer agreement

ANNUAL REPORT & ACCOUNTS 2009-10

B. Amount recognised in the Balance Sheet

(Rs. in Crores)

Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Present Value of the Obligation as on June 30, 2010	-	4.54	3.65
Fair value of plan assets	-	-	-
Un-funded Liability	-	4.54	3.65
Unrecognized actuarial gains/ losses	-	-	-
Un-funded liability recognized in Balance Sheet	-	4.54	3.65

C. Amount recognised in the Profit and Loss Account

(Rs. In Crores)

Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Interest Cost	-	0.11	0.06
Current Service Cost	-	0.90	0.85
Expected Return on Plan Assets	-	N.A.	N.A.
Actuarial (gain)/ loss on obligations	-	0.90	1.49
Total expense recognised in the Profit and Loss Account	-	1.91	2.40

D. Reconciliation of Balance Sheet

(Rs. In Crores)

Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Present Value of the Obligation as on April 1, 2009	-	2.69	1.49
Total expense recognised in the Profit and Loss Account	-	1.91	2.40
Benefit paid during the year	-	0.06	0.24
Present Value of the Obligation as on June 30, 2010	-	4.54	3.65

E. The Assumptions used to determine the benefit obligations are as follows :

Particulars	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%
Expected Rate of increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan Assets	N.A.	N.A.

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, Promotion and other relevant factors including supply and demand in the employment market. The above Information is certified by the actuary.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 10.11 Crores (2009: Nil).

4. Contingent Liabilities

Amount outstanding for guarantees given by banks and financial institution on behalf of the company is Rs 3.49 Crores (2009: Rs. Nil)

5. Secured Loans: Amount Outstanding (Rs. In crore)

A. Non Convertible Debentures

Secured by pari passu first charge on fixed assets (excluding specific fixed assets charged in favour of exclusive charge lender)	}	500.00
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Debentures referred as above are redeemable at par, in one or more installments as follows: Rs. 250.00 Crores in financial year 2014-15, Rs. 250.00 Crores in 2015-16.

B. Term Loans

Foreign Currency Loans

Secured by pari passu first charge on the fixed assets (excluding specific fixed assets charged in favour of exclusive charge lender), credit card receivables of all the stores and pari passu second charge on current assets } 56.02

Rupee Loans

(i) Secured by pari passu first charge on the fixed assets (excluding specific fixed assets charged in favour of exclusive charge lender), credit card receivables of all the stores and pari passu second charge on current assets } 281.69

(ii) Secured by pari passu first charge on fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lender) } 70.74

(iii) Secured by pari passu third charge on current Assets & Fixed Assets } 65.61

(iv) Secured by exclusive charge on stores/warehouse specific fixed assets. } 13.92

(v) Secured by pari passu first and exclusive charge over all assets not charged under working capital limits } 6.94

438.90

C. Working Capital Loan

Secured by pari passu first charge on the entire current assets excluding credit card receivables and pari passu second charge on fixed assets and credit card receivables. } 302.71

6. Of the unsecured loans, amount repayable within one year is Rs. 80.04 Crores (2009: Rs Nil) and of the Secured Loans amount repayable within one year is Rs. 43.51 Crores (2009: Rs. Nil).
7. Auditors Remuneration:

Particulars	2009-10	2008-09
	Rs In Crores	Rs In Crores
Audit Fees	0.28	0.01
Tax Audit	0.03	-
TOTAL	0.31	0.01

8. Interest allocated against fixed assets amounts to Rs. 4.94 Crores (2009: Rs. Nil).
9. The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is Rs. 620.01 Crores (2009: Nil). The Lease Rent payable not later than one year is Rs. 223.03 Crores (2009 : Nil), payable later than one year but not later than five year is Rs. 373.21 Crores (2009 : Nil) and payable later than five years is Rs. 23.77 Crores (2009 : Nil)
10. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

11. Tax Charges

The Tax Expenses for the year comprises of :

(Rs. In Crores)

Income Tax	2009-10	2008-09
Current tax	12.69	-
Deferred tax	11.38	-
TOTAL	24.07	-

12. Related Party Disclosure

Disclosure as required by the accounting Standard 18 "Related Party Disclosure" are given below:

a) List of Related Parties

Holding Company

Pantaloon Retail (India) Limited

Fellow Subsidiaries

1. FLSL Distribution Services Limited
2. Future Agrovet Limited
3. Future Brands Limited (Till 22.05.2010)
4. Future Capital Financial Services Limited
5. Future Capital Holdings Limited
6. Future Consumer Products Limited (Till 28.06.2010)
7. Future E-Commerce Infrastructure Limited
8. Future Knowledge Services Limited
9. Future Learning and Development Limited
10. Future Media (India) Limited
11. Future Mobiles and Accessories Limited
12. Future Supply Chain Solutions Limited (Formerly known as Future Logistic Solutions Limited)
13. Futurebazaar India Limited
14. Winner Sports Limited

Associates

Galaxy Entertainment Corporation Limited

b) Transaction with related Parties

(Rs. in Crores)

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate Companies
Sales and Operating Income	6.34	6.19	0.27
Sale of Fixed Assets	0.58	-	-
Purchases	256.69	299.44	0.005
Purchases of Fixed Assets including CWIP	0.59	11.74	-
Expenditure on services and Others	15.16	16.18	0.41
Inter Corporate Deposit Taken	5.00	-	-
Advances given	14.74	1.34	-
Outstanding balances as on 30/06/10			
Receivable	1.86	34.29	2.43
Payable	38.28	62.54	-

c) Disclosure in respect of material Related Party Transactions during the year :

- i. Purchases include Future Agrovet Limited Rs. 195.66 crores (Previous Year Rs. Nil) and Future Mobiles and Accessories Rs. 51.51 crores (Previous Year Rs. Nil).
- ii. Sales and Operating Income include Future Media (India) Limited Rs. 5.06 crores (Previous Year Rs. Nil).
- iii. Purchases of Fixed Assets including CWIP include Future Knowledge Services Limited Rs. 10.64 crores (Previous Year Rs. Nil).

- iv. Expenditure on services and others includes Future Learning and Development Limited Rs. 4.02 crores (Previous Year Rs. Nil).

13. Earning Per Share

The calculation of Earning per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earning per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of diluted EPS is as under:

Particulars	UNITS	2009-10	2008-09
Profit after tax	Rs.in Crores	50.60	(0.01)
The Weighted average number of Equity Shares for Basic and Diluted EPS	No.in Crores	3.62	2.83
The Nominal Value per Equity Share	Rs.	10	10
Earning per Equity share (Basic and Diluted)	Rs.	13.99	(0.00)

14. Deferred Tax Liabilities

As per Accounting Standard (AS-22) on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI), the deferred tax liability (DTL) comprises of the following:

(Rs. In Crores)

Particulars	2009-10	2008-2009
Deferred Tax Liability*		
Related to Fixed Assets	57.73	-
Deferred Tax Asset		
Disallowances under the Income Tax Act,1961/Provisions	1.43	-
Provision for Deferred Tax (net)	56.30	-

* Inclusive of liability of Rs. 44.92 Crores transferred to company pursuant to business transfer agreement.

15. Sundry Debtors

Sundry Debtors includes amount due from the following companies under the same management

FutureBazaar India Limited Rs. 0.53 crore (2009: Rs. NIL), Future Capital Holdings Limited Rs. 2.40 crore (2009: Rs. NIL), Future Learning and Development Limited Rs. 1.25 crore (2009: Rs. NIL), Future Media (India) Limited Rs. 6.38 crore (2009: Rs. NIL), Future Merchandising Limited Rs. 0.003 crore (2009: Rs. NIL), Future Mobile and Accessories Limited Rs. 20.75 crore (2009: Rs. NIL), Indivision Investment Advisors Limited Rs. 0.02 crore (2009: Rs. NIL), Kshitij Investment Advisory Company Limited Rs. 0.10 crore (2009: Rs. NIL).

16. Sales, Purchases, Opening And Closing Stock

(Qty. & Value in Crores)

Particulars	Sales		Purchases		Opening Stock		Closing Stock	
	Qty* (In Pcs)	Amount	Qty (In Pcs)	Amount**	Qty (In Pcs)	Amount	Qty (In Pcs)	Amount
Apparels/ Household Items etc.	7.07	1477.95	11.48	2002.52	-	-	4.41	801.59
Others		1447.66		1361.30	-	-		319.18
Total	7.07	2925.61	11.48	3363.82	-	-	4.41	1120.77

* Sales is inclusive of samples, free gifts, shortages, loss in fire/floods etc.

** Purchases includes finished goods transferred from Pantaloon Retail (India) Limited pursuant to business transfer agreement.

The Company having dealt in a large number of products, the quantitative information has been furnished only in respect of major items namely Apparels and Household Items. Other items are grouped together, as quantitative information in respect of each product is not practical to ascertain in view of nature of retailing operation of the Company.

17. Value of Imports (CIF Basis) (Rs. in Crores)

Particulars	2009-10	2008-09
Finished goods	22.22	-
Capital Goods	3.24	-

18. Expenditure in foreign currency (Rs in Crores)

Particulars	2009-10	2008-09
Travelling Expenses	0.07	-
Interest on FCNR Loan/Term Loan/Foreign Currency Loan	0.02	-

19. Foreign Currency Earnings (Rs. in Crores)

Particulars	2009-10	2008-09
Earning in foreign currency through credit cards	9.21	-

20. The company has taken over the value retail business of Pantaloon Retail (India) Limited pursuant to business transfer agreement with effect from 1st January 2010.
21. The Company regards the business retail as a single reportable segment. Accordingly, Segment information is not being disclosed pursuant to the provision of Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.
22. The High Courts of various states have granted an interim stay against recovery of service tax on renting of immovable property arising out of amendment to Section 65(105) (zzzz) retrospectively from 01.06.2007 introduced by Finance Act, 2010. Accordingly, no provision has been made for Rs 23.18 Crores towards service tax liability. The amount involved in the year ended March 31, 2009 was Nil.

As per our Report of even date attached

For NGS & CO.
Chartered Accountants

Navin T. Gupta
Partner
Membership No.:40334

Place : Mumbai
Date : 27th August, 2010

For and on behalf of Board of Directors

Shailesh Haribhakti
Director

Rajesh Kalyani
Director

Rupali Bhutada
Assistant Company
Secretary

C.P.Toshniwal
Director

Sanjay Rathi
Director

Cash Flow Statement for the year ended 30th June 2010

PARTICULARS	2009-2010 (Rs. in Crores)	2008-2009 (Rs. in Crores)
A Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary items	74.67	(0.01)
Adjustments :		
Depreciation	50.44	-
Finance Charge (Net)	103.03	-
Share Issue Expenses	-	0.03
(Profit) / Loss on Sale of investments	-	(0.02)
(Profit) / Loss on Sale/Discarding of assets	4.06	-
Operating profit before working capital changes	232.20	-
Adjusted for:		
Trade and other receivable	(147.50)	-
Inventories	(1,132.54)	-
Loans & advances	(109.57)	-
Deferred Tax Liability	44.92	-
Trade payables	756.16	-
Net Cash generated from operations	(356.34)	-
Direct taxes paid	(1.52)	-
Net Cash generated by Operating Activities	(357.87)	-
B Cash Flow from Investing Activities		
Acquisition of Fixed Assets	(1,262.29)	-
(Increase)/Decrease in capital work - in - progress	(224.05)	-
Proceeds from sale/Decapitalisation of fixed assets	0.76	-
Proceeds on Sale of investments	28.08	-
Purchase of investments	(0.02)	(4.90)
Deposit given-leased premises	(496.51)	-
Net Cash used in Investing Activities	(1,954.04)	(4.90)
C Cash Flow from Financing Activities		
Working Capital from Banks/Institutions	502.71	-
Proceeds from Issue of Share Capital (Net of Expenses)	949.45	4.97
Proceeds from long term borrowing	688.25	-
Proceeds/ (repayment) of short term borrowings (Net)	38.01	(0.11)
Proceeds from Non Convertible Debentures	500.00	-
Finance Charge (Net)	(103.03)	-
Net Cash from financing activities	2,375.38	4.87
Net Cash used in Cash and Cash Equivalents (A+B+C)	63.47	(0.03)
Cash & Cash Equivalents (Opening balance)	0.01	0.04
Cash & Cash Equivalents (Closing balance)	63.48	0.01
Cash and Cash Equivalents include:		
Cash in Hand (as certified)	13.24	-
Balance with Scheduled Banks :		
in Current Accounts (including in transit)	50.23	0.01
in Fixed Deposit Account	0.01	-
	63.48	0.01

Note:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3

"Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

As per our Report of even date attached

For NGS & CO.
Chartered Accountants

For and on behalf of Board of Directors

Navin T. Gupta
Partner
Membership No.:40334

Shailesh Haribhakti
Director

C.P.Toshniwal
Director

Rajesh Kalyani
Director

Sanjay Rathi
Director

Place : Mumbai
Date : 27th August, 2010

Rupali Bhutada
Assistant Company
Secretary

NOTES

Annual Report 2008-09

Pantaloon Future Ventures Limited

Certified True COPY
For Future Value Retail Limited

Kuldeep R. Sharma
Company Secretary & Head-Legal

Director's Report

To,
The Members
Pantaloons Future Ventures Limited

Your Directors are pleased to present the Second Annual Report of the Company for the financial year ended 31st March 2009.

FINANCIALS

During the year under review, the Company incurred a net loss of Rs.41,729/-.

DIVIDEND

In view of loss, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act, 1956.

DIRECTORS

In terms of Section 255 and 256 the Companies Act, 1956, Mr. C P Toshniwal retire at the ensuing annual general meeting of the Company and being eligible, offer himself for appointment as Director.

SUBSIDIARY

The Company is a wholly owned subsidiary of Pantaloons Retail (India) Limited.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year ended 31st March, 2009;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

AUDITORS

M/s. NGS & Co., Chartered Accountants shall be retiring at the forthcoming Annual General Meeting and are eligible for re-appointment. They have issued a certificate to the effect that their re-appointment, if made, at the ensuing annual general meeting, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Members are requested to consider and approve the re-appointment of M/s. NGS & Co. as Auditors of the Company.

PARTICULARS OF EMPLOYEES

The Company has no employees drawing remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- A Conservation of Energy : None
- B Technology Absorption : Not applicable to the Company since the Company does not have / use any technology.
- C Technology Absorption, adaptation & innovation : Not applicable to the Company since the Company does not have / use any technology.

D. Foreign Exchange Earnings & Outgo :

Activities relating to export /Services	None
Initiative taken to increase exports	Not Applicable
Development of new Export markets for products and services	None
Export Plans	Not Applicable
Foreign Exchange Earned	Nil
Foreign Exchange Spent	Nil

Form A to the Annexure to the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 does not apply to the Company.

COMPLIANCE CERTIFICATE

The Compliance Certificate obtained from Practicing Company Secretary pursuant to section 383A of the Companies Act, 1956 for the financial year ended 31st March 2009, is annexed herewith as an Annexure I appended hereto and forms part of this report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the clients, bankers and investors and look forward to their continued support.

For and on behalf of the Board of
Pantaloons Future Ventures Limited

Sd/-	Sd/-
C. P. Toshniwal	Rajesh Kalyani
Director	Director

Mumbai, 4 August 2009

K Bindu & Associates

Company Secretaries

Tel : (O) 28784043 (R) 28779546

Mobile : 9892349554

E-mail : kbindudshah@gmail.com

Off. : Panchsheel 3A/101, Raheja Township, Rani Sati Marg, Malad (E), Mumbai - 400097
 Mailing Address : Panchsheel 1A/203, Raheja Township, Rani Sati Marg, Malad (E), Mumbai - 400097

Compliance Certificate

To,
 The Members,
 Pantaloon Future Ventures Limited
 Mumbai.

Registration No. : U67190MH2007PLC171524
 Authorised Capital: Rs. 25 Crores
 Paid up Capital: Rs. 2.10 Crores

We have examined the registers, records, books and papers of Pantaloon Future Ventures Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under or thereafter with additional fees as may be prescribed.
3. The Company being a Public Limited Company, has the minimum prescribed paid up capital and its number of members during the financial year excluding its present and past employees were unlimited, during the year under scrutiny.
4. The Board of Directors duly met Four times on 2nd June 2008, 2nd September 2008, 7th October, 2008 and 23rd January, 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members for the year under review.
6. The Annual General Meeting for the financial year ended 31st March, 2008 was held on 29th November, 2008 for which due notice were given to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra Ordinary General Meeting was held during the year.
8. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
9. The Company has complied with the requirements of maintaining the register required under section 301 of the Act.
10. There were no instances falling within the purview of Section 314 of the Act, and hence the company was not required to obtain any approvals from the Board of Directors, members or the Central Government pursuant to section 314 of the Act.



11. There were no instances of issue of duplicate share certificates during the financial year under review.
12. The Company has:
 - (i) delivered all the certificates on allotment of securities, transfer / transmission of any other purpose in accordance with the provisions of the Act;
 - (ii) not declared any dividend during the financial year and hence there was no need to deposit the amount of dividend declared in a separate bank account;
 - (iii) not declared any dividend and hence there were no dividend warrants to be paid/posted during the financial year under review;
 - (iv) no balance of the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and accordingly there was no need for transfer of any such amount to investor Education and Protection Fund;
 - (v) Directors' Report was prepared with the requirements of section 217 of the Act.
13. The Board of Directors of the Company is duly constituted.
14. The Company has not appointed any Managing Director/ Whole-Time Director/ Manager during the financial year.
15. The Company has not appointed any sole-selling agents during the financial year.
16. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Companies Act, 1956 during the financial year.
17. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made hereunder.
18. The Company has issued equity shares during the financial year under review.
19. The Company has not bought back any shares during the financial year ending 31st March, 2009.
20. The Company does not have any preference shares/debentures and hence question of redemption of any preference shares/debentures during the financial year does not arise.
21. Since there were no disputes on the holding rights of the shares of the Company, the Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares in compliance with the provisions of the Act.
22. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of the provisions of sections 58A during the financial year.
23. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2009



- was within the borrowing limits of the Company and that necessary resolutions as per section 292 / 293(1)(d) of the Act have already been passed.
24. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 25. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 26. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 27. The Company has not altered the provisions of the memorandum of association of the Company during the year under scrutiny.
 28. The Company has not amended its Articles of Association during the financial year ended 31st March, 2009.
 29. There were no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and there were no fines and penalties or any other punishment imposed on the Company for any such offences during the year under scrutiny.
 30. The Company has not received any security from its employees during the year under certification.
 31. The Company has not deducted any contribution towards Provident Fund from the salaries of employees during the year under scrutiny.

Place: Mumbai

Date: 4 August 2009

Signature:



Name of Company Secretary: K Bindu
C.P. No.: 7375



Annexure forming part of the report of even date issued for
M/s. Pantaloon Future Ventures Limited
for the financial year ending 31st March, 2009.

Annexure A

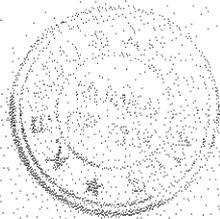
Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Charges u/s 143
3. Register of Transfers
4. Register of Contracts u/s 301
5. Register of Directors' Shareholdings u/s 307
6. Register of Directors u/s 303

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009.

Sr No	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	2	75(1)	Return of allotment	30/4/2008	Yes	N.A.
2	2	75(1)	Return of allotment	26/2/2009	No	Yes
3	Form 23AC/ACA	220	Balance Sheet and Profit & Loss Account for the financial period ended 31 March 2008	16/12/2008	Yes	N.A.
4	66	383A	Compliance Certificate for the financial period ended 31 March 2008	16/12/2008	Yes	N.A.
5	20B	159	Annual Return for the year 2008	16/12/2008	Yes	N.A.



AUDITORS' REPORT

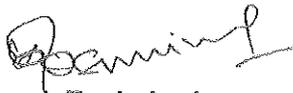
The Members of
PANTALOON FUTURE VENTURES LIMITED
Mumbai

1. We have audited the attached Balance Sheet of **PANTALOON FUTURE VENTURES LTD** as at 31st March 2009 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) (as amended) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments referred to in paragraph (3) above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by the law have been kept by the Company as far as it appears from our examination of the books;
 - (c) the Balance Sheet and the Profit and loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of the written representations from the Directors as on 31st March 2009 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director under Section 274 (1) (g) of the Companies Act, 1956.



- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes on Accounts in Schedule 11 and those appearing elsewhere in the accounts give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) in case of Balance Sheet, of the State of Affairs of the Company as at 31st March 2009 and
- (ii) in the case of Profit & Loss Account, of the Loss of the Company for the year ended on that date.

For NGS & Co.
Chartered Accountants



Ganesh Toshniwal
Partner
M.No. 046669



Place: Mumbai
Date : 04 AUG 2009

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 OF PANTALOOON FUTURE VENTURES LTD

On the basis of the information and explanation furnished to us and books and records examined by me in the normal course of audit and to the best of our knowledge and belief, we report that:

1. Since the company does not have any fixed assets, consequently, the provisions of clause 4(i)(a) to (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
2. Since the company is not holding any inventory in the books, consequently, the provisions of clause 4(ii)(a) to (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
3. As informed, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. As informed to us, there were no transactions that need to be entered into the register, pursuant to section 301 of the Companies Act, 1956. Therefore the provisions of clause 4 (v) of the Companies (Auditors' Report) Order, 2003(as amended) are not applicable to the company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered under the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956, and the rules framed there under with regard to the deposits accepted from the public and hence paragraph 4 (vi) of the Companies (Auditors' Report) Order, 2003(as amended) are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
9. According to information and explanations given to us, the provisions of the Employees Provident Fund and Employees State Insurance Scheme are not applicable to the company during the year under audit.

According to the information and explanations given to us in respect of statutory and other dues:-

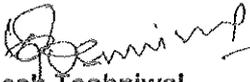


- a) The company has been generally regular in depositing with appropriate authorities undisputed statutory dues, including Income tax, Sales Tax, Wealth tax, Service tax, cess and other statutory dues applicable to it during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid were outstanding at the year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, no disputed amounts payable in respect of the aforesaid were outstanding at the year end for a period of more than six months from the date they became payable.
10. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
11. The Company has not borrowed monies from any financial institution, bank or debenture holders. Therefore the provisions of clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
12. According to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transaction and contracts and timely entries have been made therein. The Shares, securities, debentures and other investments have been held by the Company, in its own name.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from financial institutions/banks. Hence, clause 4(xv) of the Companies (Auditor's Report) Order 2003(as amended) is not applicable to the Company.
16. The Company has not raised any term loan, therefore the provisions of clause 4 (xvi) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company.
17. According to the cash flow statement and other records examined by us and according to the information and explanations given to us and on an overall basis, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any secured debentures during the year.



20. The company has not raised any money by, public issue during the year. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **NGS & Co.**
Chartered Accountants


Ganesh Toshniwal
Partner
M.No. 046669



Place: Mumbai
Date : **04 AUG 2009**

PANTALOON FUTURE VENTURES LIMITED

Balance Sheet as at March 31, 2009

	Schedules	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	21,000,000	19,000,000
Reserves and Surplus	2	264,000,000	216,000,000
		285,000,000	235,000,000
Loan funds			
Unsecured Loans	3	-	1,058,440
		285,000,000	236,058,440
APPLICATION OF FUNDS			
Investments	4	283,048,034	233,805,045
Current Assets, Loans and Advances			
Cash and Bank Balances	5	42,629	385,610
(A)		42,629	385,610
Less: Current Liabilities and Provisions			
Current Liabilities	6	18,684	18,507
(B)		18,684	18,507
Net Current Assets	(A - B)	23,945	367,103
Profit and Loss Account		1,928,021	1,886,292
		285,000,000	236,058,440
Notes to Accounts	11		

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

As per our report of even date

For NGS & CO.

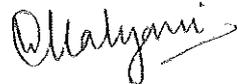
Chartered Accountants


Ganesh Toshniwal
Partner
Membership No. 046669
Place : Mumbai
Date : 01st August '09



For and on behalf of the Board of Directors


C P Toshniwal
[Director]


Rajesh Kalyani
[Director]

PANTALOON FUTURE VENTURES LIMITED
Profit and Loss Account for the year ended March 31, 2009

	Schedules	For the year ended March 31, 2009 (Rs.)	For the year ended March 31, 2008 (Rs.)
INCOME			
Other Income	7	242,989	5,045
TOTAL		242,989	5,045
EXPENDITURE			
Operating and Other Expenses	8	9,718	10,262
Preliminary Expenses		275,000	1,881,075
TOTAL		284,718	1,891,337
Profit / (Loss) before tax, extraordinary and prior period items		(41,729)	(1,886,292)
Provision for Taxation		-	-
Deferred Tax charge		-	-
Fringe benefit tax		-	-
Total Tax Expense / (Income)		-	-
Profit / (Loss) after tax and before extraordinary and prior period items		(41,729)	(1,886,292)
Prior period items		-	-
Net Profit / (Loss)		(41,729)	(1,886,292)
Balance brought forward from previous year		(1,886,292)	-
Profit / (Loss) available for appropriation		(1,928,021)	(1,886,292)
Appropriations		-	-
Surplus / (Deficit) carried to Balance Sheet		(1,928,021)	(1,886,292)
Earnings per share	10		
Basic [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]			
- Computed on the basis of earnings including extra ordinary		(0.02)	(1.89)
- Computed on the basis of earnings excluding extra ordinary		(0.02)	(1.89)
Notes to Accounts	11		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account
As per our report of even date

For NGS & CO.
Chartered Accountants

Ganesh Toshniwal
Partner
Membership No. 046669
Place : Mumbai
Date : 04th August '09



For and on behalf of the Board of Directors

C P Toshniwal
[Director]

Rajesh Kalyani
[Director]

PANTALOON FUTURE VENTURES LIMITED
Schedules to the Accounts

	March 31, 2009	March 31, 2008
Schedule 1 : Share capital		
Authorised		
25000000 (Previous year: 25000000) equity shares of Rs.10/- each	250,000,000	250,000,000
Issued		
2100000 (Previous year: 1900000) equity shares of Rs. 10/- each fully paid	21,000,000	19,000,000
Subscribed		
2100000 (Previous year: 1900000) equity shares of Rs. 10/- each fully paid	21,000,000	19,000,000
(The above shares are held by Pantaloon Retail (India) Limited, the holding company)	21,000,000	19,000,000
Schedule 2 : Reserves and Surplus		
Securities Premium Account	216,000,000	-
Add: Received during the year	48,000,000	216,000,000
	264,000,000	216,000,000
Schedule 3 : Unsecured Loans		
From Directors	-	458,440
Intercorporate Deposits	-	600,000
	-	1,058,440
Schedule 4 : Investment		
Long Term Investments ,Other than Trade (At cost)		
Unquoted, fully paid-up		
27,793,700 (P.Y. 22,793,700) Equity share in Future Ventures India Ltd	280,800,000	230,800,000
Quoted Mutual Fund		
1,99,038(P.Y.2,93,066) Units of LIC Mutual fund liquid plus fund-growth	2,248,034	3,005,045
	283,048,034	233,805,045
Schedule 5 : Cash and Bank Balances		
Cash on hand	-	-
Balances with scheduled banks:		
On current accounts	42,629	385,610
	42,629	385,610
Schedule 6 : Current Liabilities		
Sundry creditors	18,684	18,507
	18,684	18,507
Dues to small scale industrial undertakings included in Sundry Creditors	-	-
Dues to other than small scale industrial undertakings included in Sundry Creditors	18,684	18,507



PANTALOON FUTURE VENTURES LIMITED
Schedules to the Profit & Loss Account

	For the year ended March 31, 2009	For the year ended March 31, 2008
Schedule 7 : Other income		
Profit on Sale of Investment other than trade	242,989	5,045
	242,989	5,045
Schedule 8 : Operating and Other Expenses		
Auditor's remuneration		
- Statutory Auditor's fee	6,618	6,742
- Other Services		-
Legal & Professional Charges	600	-
ROC filling fees	2,500	3,520
	9,718	10,262
Schedule 10 : Earnings Per Share (EPS)		
Net profit/ (loss) as per profit and loss account including extra ordinary items	(41,729)	(1,886,292)
Less : Preference dividends and tax thereon	-	-
Net profit/ (loss) for calculation of basic EPS	(41,729)	(1,886,292)
Net profit/ (loss) as per profit and loss account excluding extra ordinary items	(41,729)	(1,886,292)
Less : Preference dividends and tax thereon	-	-
Net profit/ (loss) for calculation of basic EPS	(41,729)	(1,886,292)
Weighted average number of equity shares in calculating basic EPS	1,937,260	996,599



PANTALOON FUTURE VENTURES LIMITED**Schedule 11 : Notes to Accounts****1. Nature of Operations**

PANTALOON FUTURE VENTURES LIMITED is engaged in Investing Activities.

2. Statement of Significant Accounting Policies**(a) Basis of preparation**

The financial statements have been prepared to comply in all material respects in respects with the Accounting Standard notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual. The accounting policies have been consistently applied by the Company with those used in the previous accounting year

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(c) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(d) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(e) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split, and reverse share split (consolidation of shares).

(f) Preliminary Expense & Share issue Expenses

It is written off during the year in which it occurs.

(g) Provisions

A provision is recognised 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. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.



3. Notes to Accounts

(a) Related Parties

1. Names of related parties

Holding Company
Key Management Personnel

Pantaloon Retail(India)Limited
Sanjay Rathi (Director)
Rajesh Kalyani (Director)
C.P. Toshniwal (Director)

2. Transaction made with the related parties.

Equity share issued@Rs 10/- each

Holding Company	
2009 (Rs.)	2008(Rs.)
5,00,00,000	23,50,00,000

(b) Contingent Liabilities not provided for - Rs. Nil (P.Y. Rs. Nil)

(c) During this year, Company has purchased 174850 units & Sold 268877 units of LIC Mutual Fund.

(d) Segment Reporting

The entire operations are governed by the same risk and rewards and hence, it operates in a single segment, consequently on information under the requirement of the Accounting Standard 17 on Segment Reporting is not applicable.

(e) Deferred Tax Assets

In accordance with the Accounting Standard -22, the company has recognised Nil on deferred tax assets as at March 31,2009

The timing differences result in a net deferred assets mainly due to preliminary expenses and carry forward losses under the Income Tax Act,1961.

As there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, deferred tax asset on carry forward losses has not been recognised. Further on a matter of prudence, deferred tax asset on preliminary expenses has not been recognised.

(f) Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 to the extent nil or not applicable to the Company during the year are not furnished

(g) Previous Year Comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For NGS & CO.

Chartered Accountants

Ganesht Toshniwal
Partner

Membership No. 046669

Place : Mumbai

Date : 04th August '09



For and on behalf of the Board of Directors

C P Toshniwal
[Director]

Rajesh Kalyani
[Director]

PANTALOON FUTURE VENTURES LIMITEDStatement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile**I Registration Details**

Registration No :	U67190MH2007PLC171524	State Code:	11
Balance Sheet Date:	3/31/2009		

II Capital Raised During The Year (Amount in Rs. Thousands)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III Position of Mobilisation And Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	285,000	Total Assets	285,000
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Sources of Funds

Paid-Up Capital	21,000	Reserves and Surplus	264,000
Secured Loans	-	Unsecured Loans	-

Application of Funds

Net Fixed Assets	-	Investments	283,048
Net Current Assets	24	Miscellaneous Expenditure	-
Accumulated Losses	1,928		

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and other	243	Total Expenditure	285
Profit Before Tax	(42)	Profit After Tax	(42)
Earnings Per Share - Basic	(0.02)	Dividend Rate %	-

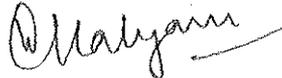
**V Generic names of principal products/services of the Company
(As per monetary Terms)**

Item Code No. (ITC Code)	Product Description
N.A.	N.A.

For and on behalf of the Board of Directors


C P Toshinwal

Director


Rajesh Kalyani

Director

sd/-

Place : Mumbai

Dated : 04th August '09

PANTALOON FUTURE VENTURES LTD.
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2009

	31.03.2009 Rupees	Rupees
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) After Tax		(41,729)
Adjustments for :		
Share Issue Expenses	275,600	
Profit on sale of Investment	242,989	
		32,611
Operating Profit before Working Capital change		(9,118)
Adjustment for:		
Trade Payable	177	
		177
Net Cash from operating activities (A)		(8,941)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Sale/(Purchase) of Investments	(49,000,000)	
Loans taken/(repaid)	(1,058,440)	
		(50,058,440)
(C) CASH FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Share Capital	50,000,000	
Share Issue Expenses	(275,600)	
Net Cash used in financing activities (C)		49,724,400
NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)		(342,981)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		385,610
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		42,629

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by ICAI

FOR & ON BEHALF OF THE BOARD

Place : Mumbai

Date : 04th August '09

C P Toshniwal
C P Toshniwal
[Director]

Rajesh Kalyani
Rajesh Kalyani
[Director]