

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: Debenture 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 need to be identified separately to ensuring 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 specialty 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

In 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 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 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 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 an Annexure - I appended hereto and forms part of this report.

AUDIT COMMITTEE

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

1. Mr. C P Toshniwal
2. Mr. Sanjay Rathi
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 the foreign exchange by way of sale against foreign credit cards and foreign exchange received from customers.

Foreign Exchange Earnings & Outgo:

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

ACKNOWLEDGEMENT

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

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 the Board of
Future Value Retail Limited**

Sd/-
Chairman
Mumbai, 27th August 2010

NGS & Co.

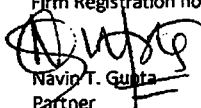
Chartered Accountants

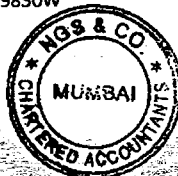
Auditors' Report

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

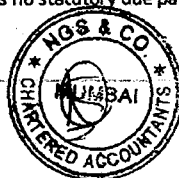


Annexure to the Auditors Report
Re: Future Value Retail Limited ('the Company')

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 5(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.

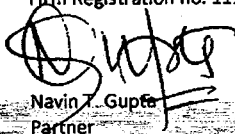
Further since the Central Government of India has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, there is no statutory due payable under Section 441A of the Act.



NGS & Co.
Chartered Accountants

- (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 Gupta
Partner
Membership No. 40334
Place: Mumbai
Dated: August 27, 2010



**FUTURE VALUE RETAIL LIMITED
(FORMERLY KNOWN AS PANTALOOON FUTURE VENTURES LIMITED)**

BALANCE SHEET AS AT JUNE 30, 2010

PARTICULARS	Schedule	As At June 30,2010	As At March 31,2009
		(Rs. in Crores)	(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 & 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

Rajesh Kalyani
Director

Rupali Bhutada
Assistant Company Secretary

C.P. Toshniwal
Director

Sanjay Pathi
Director

Place : Mumbai

Date : 27th August, 2010

**FUTURE VALUE RETAIL LIMITED
(FORMERLY KNOWN AS PANTALOOON FUTURE VENTURES LIMITED)**

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)	April 1, 08 to March 31, 09 (12 Months)
		(Rs. in Crores)	(Rs. in Crores)
INCOME			
Sales & Operating Income	13	2991.71	-
Other Income	14	1.10	0.02
		2992.81	0.02
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	-
		2918.14	0.03
Profit Before Tax		74.67	(0.01)
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)
Debenture Redemption Reserve		25.00	-
Balance carried to Balance Sheet		25.41	(0.19)
Earning Per Share in Rs. (Face Value Rs. 10) Basic & Diluted	19(B)(13)	13.99	(0.00)

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

Rajesh Kalyani
Director

Rudali Bhutada
Assistant Company Secretary

C.P.Toshniwal
Director

Sanjay Rathi
Director

Place : Mumbai
Date : 27th August, 2010

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
	100.00	25.00
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) (2,83,99,912 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
	66.50	2.10
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	-
	911.45	26.40
Debenture Redemption Reserve		
Balance at beginning of the year	-	-
Add : Transfer from Profit & Loss Account	25.00	-
	25.00	-
Profit and Loss Account	25.41	-
	961.86	26.40
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	-
	1297.63	-
SCHEDULE 4 : UNSECURED LOANS		
From Banks		
Long Term	193.33	-
Short Term	25.01	-
Inter Corporate Deposits	13.00	-
	231.34	-



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 30/06/2010	As at 31/03/2009
Building & Leasehold improvement	-	208.22	1.20	207.02	-	0.01	15.75	15.74	191.28	-
Plant & Machinery	-	31.32	0.01	31.32	-	0.00	0.69	0.69	30.63	-
Office Equipments	-	19.28	0.11	19.15	-	0.00	0.47	0.46	18.69	-
Computers & Software	-	152.19	0.77	151.42	-	0.01	11.20	11.20	140.22	-
Furniture & Fittings	-	456.90	1.46	456.44	-	0.01	13.63	13.62	441.92	-
Electrical Installations	-	271.73	0.57	271.15	-	0.00	6.07	6.06	265.09	-
Vehicles	-	0.37	-	0.37	-	-	0.02	0.02	0.35	-
Air Conditioners	-	122.90	0.73	121.57	-	0.00	2.72	2.72	118.85	-
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		
Deposits	74.23	
	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	47.55	-
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

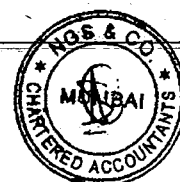
- a. Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and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

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 15 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

(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

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

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) Secures 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:

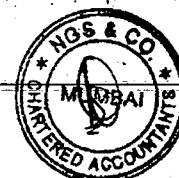
a) List of Related Parties

Holding Company

Pantaloon Retail India Limited

Fellow Subsidiaries

1. FLSL Distribution Services Limited



2. Future Agrovat 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 Agrovat 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

~~Future Bazaar India Limited Rs. 0.53 crore (2009: Rs. NIL), Future Capital Holdings Limited Rs. 2.40 crore (2009: 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 respective 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
Traveling 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	-

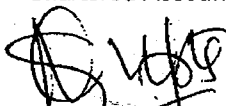


20. The company has taken over the value retail business of Pantaloon Retail (India) Limited pursuant to business transfer agreement with effect from 1st January 2010.
21. The Company regards the business retail as a single reportable segment. Accordingly, Segment information is not being disclosed pursuant 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

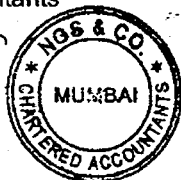
For NGS & CO.

Chartered Accountants

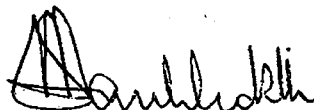

Navin T. Gupta

Partner

Membership No.40334

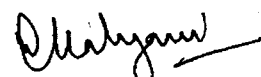


For and on behalf of Board of Directors



Shailesh Haribhakti

Director



Rajesh Kalyani

Director



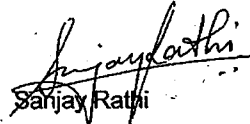
Rugali Bhutada

Assistant Company Secretary



C.P. Toshniwal

Director



Sanjay Rathi

Director

Place : Mumbai

Date : 27th August ,2010

Cash Flow Statement for the year ended 30TH JUNE 2010		
PARTICULARS	2009-2010	2008-2009
	(Rs. in Crores)	(Rs. in Crores)
A Cash Flow from Operating Activities:		
Net Profit Before Tax and Extraordinary items	74.87	(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 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	302.71	-
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 Ddebtenture	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
	2009-2010	2008-2009
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

(Signature)
Nayan T. Gupta
Partner
Membership No. 40334



For and on behalf of Board of Directors

(Signature)
Rajesh Kalyani
Director

Director

(Signature)
Rajesh Kalyani
Director

Director

Director

(Signature)
Sanjay Bhatia
Director

Director

Place : Mumbai

Date 27th August, 2010

Huzali Bhutada

Assistant Company Secretary