

Future Agrovvet Limited

Annual Report

2010 - 11

Directors' Report

To,
The Members
Future Agrovet Limited

Your Directors are pleased to present the Sixth Annual Report of the Company for the financial year ended 31st March, 2011.

FINANCIALS

(Rs.in lacs)

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
Sales (net of taxes)	77,717.34	57,607.50
Other Income	122.09	52.42
Total Income	77,960.72	57,816.28
Depreciation	94.81	194.54
Total expenditure	77,672.63	57,863.36
Profit before tax & provisions	288.09	(47.08)
Provisions	78.54	(19.78)
Profit after taxes & provisions	209.55	(27.30)
Earning per share (Basic & Diluted)	0.57	(0.07)

During the year under review, the Company has achieved a turnover of **Rs.779.60 crores** as against Rs. 578.16 Crore during the previous year registering 35% growth in turnover. Your Company has earned a Net Profit of **Rs.2.09 Crores** as against a Net Loss of Rs.0.47 Crore during the previous year.

However, as a part of re-alignment process within the Group, Company's retail division KB's FairPrice was hived off and transferred to fellow subsidiary Future Value Retail Limited w.e.f. 1 April 2010. Your Directors do not see any adverse impact on the business of the Company due to transfer of the said division.

DIVIDEND

In view of inadequacy of profits and to conserve the resources for long term purpose, your directors are unable to recommend any dividend for the year under report.

FIXED DEPOSIT

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 from the public during the period under report.

DIRECTORS

Mr. Narendra Baheti and Mr. Damodar Mall, Directors of the Company, retire by rotation at the ensuing annual general meeting of the Company and being eligible, offers themselves for re-appointment.

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:

1. in the preparation of the Annual Accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. 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 period ended 31st March, 2011;
3. 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. the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

AUDITORS


M/s. NGS & Co., Chartered Accountants, the retiring Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. 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 appointment of M/s. NGS & Co. as auditors of the Company.

PARTICULARS OF EMPLOYEES

The Statement containing particulars of employee 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 established an Audit Committee pursuant to the provisions of section 292A of the Companies Act, 1956. The said Committee consists of the following directors:

1. Mr. C. P. Toshniwal - Non-executive Director
 2. Mr. Narendra Baheti - Executive Director
 3. Mr. Damodar Mall - Non-Executive Director
- 

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 : **Rs. 1.58 Lacs**
(P.Y.Rs.2.32 Lacs)

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.

ACKNOWLEDGEMENT

The Board wishes to place on record, its sincere appreciation to all the employees at all level for their dedicated efforts. The Board further wishes to place on record their sincere appreciation for the support and co-operation extended by the Government, clients and bankers and look forward to their continued support.

**For and on behalf of the Board of
Future Agrovvet Limited**


C. P. Toshniwal
Director

 Narendra Baheti
Managing Director

Place : Mumbai

Dated : 20th August, 2011

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	: Rs. 1.58 Lacs (P. Y Rs. 2.32 Lacs)

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.

ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation to all the employees at all level for their dedicated efforts. The Board further wishes to place on record their sincere appreciation for the support and co-operation extended by the Government, clients and bankers and look forward to their continued support.

For and on behalf of the Board of
Future Agrovet Limited

C. P. Toshniwal
Director


Narendra Baheti
Managing Director

Place : Mumbai
Dated : 26th August, 2011

Auditors' Report

The Members of
Future Agrovet Limited

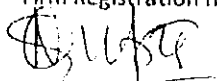
1. We have audited the attached Balance Sheet of Future Agrovet Limited as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility 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 March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 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 18 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;



NGS & Co.
Chartered Accountants

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 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



20 AUG 2011

Annexure to the Auditors Report

Re: Future Agrovet 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 March 31, 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) In our opinion and according to the information and explanation given to us, the slump sale of KB Fairprice business does not affect going concern assumption.
- 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. a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b) There are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act during the year aggregating to rupees five lakhs or more in respect of any party.
- 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 March 31, 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. In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. Further the Company has not incurred cash losses during the financial year covered by our audit and 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. The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- 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.



NGS & Co.
Chartered Accountants

- 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 material fraud on or by the Company has been noticed or reported during the year.

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


Navin T. Gupta
Partner



Membership No. 40334
Mumbai

20 AUG 2011

Future Agrovet Limited
Balance Sheet as at March 31, 2011

(Rs. In Lacs)

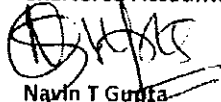
Particulars	Sch. No.	As At March 31, 2011	As At March 31, 2010
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	3,650.00	3,650.00
Share Application Money		100.00	
		<u>3,750.00</u>	<u>3,650.00</u>
Loan Funds			
Secured Loans	2	5,674.77	3,136.33
Unsecured Loans	3		1,800.00
		<u>9,424.77</u>	<u>8,586.33</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	4	1,317.97	2,437.89
Less: Accumulated Depreciation		428.72	641.13
Net block		<u>889.25</u>	<u>1,796.76</u>
Capital work-in-progress including capital advances		78.46	-
		<u>967.71</u>	<u>1,796.76</u>
Investments	5	4.49	0.80
Deferred Tax Assets		176.97	255.51
Current Assets, Loans and Advances			
Inventories	6	7,377.29	6,812.80
Sundry Debtors	7	3,194.80	1,601.79
Cash and Bank Balances	8	689.44	246.74
Loans and Advances	9	420.81	701.71
	(A)	<u>11,682.34</u>	<u>9,363.04</u>
Less: Current Liabilities and Provisions			
Current Liabilities	10	3,772.16	3,399.53
Provisions	11	30.13	35.34
	(B)	<u>3,802.29</u>	<u>3,434.87</u>
Net Current Assets	(A - B)	7,880.05	5,928.17
Profit and Loss Account		395.54	605.09
	TOTAL	<u>9,424.77</u>	<u>8,586.33</u>
Significant Accounting Policies and Notes to Accounts	18		

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


Navin T Gupta

Partner

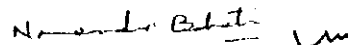
Membership No. 40334

Place : MUMBAI

Date : 20-08-2011



For and on behalf of the Board of Directors
Future Agrovet Limited



[Managing Director] [Director]


Future Agrovet Limited
Profit and Loss Account for the year ended March 31, 2011

Particulars	Schd	(Rs. In Lacs)	
		Year Ended March 31, 2011	Year Ended March 31, 2010
INCOME			
Sales			
Less: Sales Tax Expenses		79,644.21	58,590.56
		1,926.87	983.06
Other Operating Income		77,717.34	57,607.50
Other Income	12	121.29	156.36
	13	122.09	52.42
TOTAL		77,960.72	57,816.28
EXPENDITURE			
Cost of Goods Sold	14	73,426.70	53,310.76
Personnel Expenses	15	1,694.82	1,634.83
Operating and other expenses	16	2,041.18	2,293.01
Financial expenses	17	415.12	430.21
Depreciation and Amortisations	4	94.81	194.54
TOTAL		77,672.63	57,863.36
Profit before tax		288.09	(47.08)
Provision for Taxation			
Deferred Tax charge		78.54	(19.78)
Fringe benefit tax			
Total Tax Expense / (Income)		78.54	(19.78)
Profit / (Loss) after tax		209.55	(27.30)
Net Profit for the Year		209.55	(27.30)
Balance brought forward from previous year		(605.09)	(577.79)
Loss Carried Over to Balance Sheet		(395.54)	(605.09)
Basic Earnings Per Share (F.V. Rs.10/- per Equity Share)		0.57	(0.07)
Diluted Earnings Per Share (F.V. Rs.10/- per Equity Share)		0.56	
Significant Accounting Policies and Notes to Accounts	18		

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


Navin T. Gupta
Partner

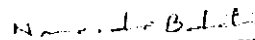
Membership No. 40334

Place : MUMBAI

Date : 20-08-2011



For and on behalf of the Board of Directors
Future Agrovet Limited



[Managing Director]



[Director]

Future Agrovet Limited
Cash Flow Statement for the year ended on March 31, 2010

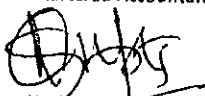
Particulars	(Rs. In lacs)	
	For the year Ended on March 31, 2011	For the year Ended on March 31, 2010
A. Cash flow from operating activities:		
Net Profit before interest, tax and extraordinary items	288.09	(47.08)
Adjustment for:		
Depreciation	94.81	194.54
Interest expense	394.75	390.16
Loss on sale / Retirement of fixed Assets	1.23	11.15
Interest income	(85.18)	(27.30)
Foreign exchange Loss/ (Gain)	(23.13)	(17.57)
	<u>382.48</u>	<u>550.98</u>
Operating profit before working capital changes	<u>670.57</u>	<u>503.90</u>
Adjustments for:		
(Increase) / Decrease in Inventories	(564.49)	(1,407.53)
(Increase) / Decrease in Trade Receivables	(1,593.01)	(890.16)
(Increase) / Decrease in Loans and Advances	280.91	(38.46)
Increase / (Decrease) in Current Liabilities	367.42	696.07
	<u>(1,509.18)</u>	<u>(1,640.08)</u>
Cash generated from the operation	<u>(838.60)</u>	<u>(1,136.18)</u>
Direct tax paid		
Net cash from operating activities	(A) <u>(838.60)</u>	<u>(1,136.18)</u>
B. Cash flow from Investing Activities		
Sale of fixed assets	1,072.67	24.21
Purchase of fixed assets	(339.66)	(129.86)
Interest received	85.18	27.30
Investments made in National Savings Certificates	(3.69)	(0.80)
Net cash used in investing activities	(B) <u>814.49</u>	<u>(79.15)</u>
C. Cash flow from financing activities		
Proceeds from / (Repayment) of Secured Term Loans	(734.12)	(277.75)
Proceeds from / (Repayment) of Secured Cash Credit Loans	200.22	(1,027.27)
Proceeds from / (Repayment) of Secured Working Capital Loan	3,000.00	661.99
Proceeds from / (Repayment) of Bill Discounting Facilities	81.49	437.23
Proceeds from / (Repayment) of Vehicle Loans	(9.15)	19.72
Proceeds from / (Repayment) of Unsecured Loans	(1,800.00)	1,800.00
Proceeds from Issuance of Share Capital	100.00	
Interest paid	(394.75)	(390.16)
Foreign Exchange Loss/ (Gain)	23.13	17.57
Net cash from financing activities	(C) <u>466.82</u>	<u>1,241.33</u>
Net increase in cash and cash equivalent	(A+B+C) <u>442.71</u>	<u>26.00</u>
Cash & cash equivalent as at March 31, 2010	246.74	220.74
Cash & cash equivalent as at March 31, 2011	<u>689.44</u>	<u>246.74</u>

Notes:

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

As per our report of even date

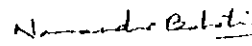

For NGS & CO.
Chartered Accountants


Nayan T Gupta
Partner

Membership No. 40334
Place : MUMBAI
Date : 20-08-2011

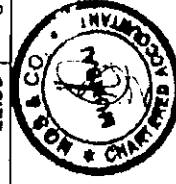


For and on behalf of the Board of Directors
Future Agrovet Limited


[Managing Director] 
[Director]

Future Agrovet Limited
Schedules to Balance Sheet as at March 31, 2011
Schedule 4: Fixed Assets

Particulars	Rate	Gross Block			Depreciation			Net Block		
		As at 01.04.2010	Addition	Sale / Write Off	As at 31.03.2011	As at 01.04.2010	For the Year	Adjustment	As at 31.03.2011	As at 31.03.2010
Leasehold Improvements	33.33%	187.86	9.82	101.60	96.08	53.70	9.46	13.18	49.98	134.16
Motor Car	9.50%	68.96	4.18	4.31	68.83	12.71	6.35	1.86	17.21	56.25
Furniture & Fixture	6.33%	1,248.84	48.33	915.80	381.37	217.48	20.35	153.22	84.61	1,031.36
Office Equipment	4.75%	147.31	25.84	70.60	102.55	62.82	3.45	43.61	22.66	84.49
Plant & Machinery	4.75%	374.78	105.58	151.57	328.79	167.71	7.31	56.33	118.69	207.08
Computer	16.21%	405.58	67.45	136.78	336.25	124.45	46.53	38.57	132.41	281.13
Hard Furnishing	33.33%	4.55	-	0.46	4.09	2.25	1.36	0.46	3.16	2.30
Total		2,437.89	261.20	1,381.12	1,317.97	641.13	94.81	307.22	428.72	889.25
Previous Year Total		2,309.54	185.68	57.34	2,437.89	468.91	194.54	22.33	641.13	1,796.76



Future Agrovet Limited
Schedules to Balance Sheet as at March 31, 2011

Particulars	As At March 31, 2011 (Rs. In lacs)	As At March 31, 2010 (Rs. In lacs)
Schedule 1 : Share capital		
Authorised		
60,000,000 Equity shares of Rs.10/- each	6,000.00	6,000.00
Issued & Subscribed & Paid-up Capital		
36,500,000 Equity Shares of Rs. 10/- each fully paid	3,650.00	3,650.00
Of the above:		
(i) 35,100,000 Equity Shares of Rs. 10/- each are held by the Holding Company, M/s Pantaloon Retail (India) Limited		
(ii) 1,000,000 equity shares of Rs.10 each are allotted as fully paid up pursuant to contracts for consideration other than cash.		
	3,650.00	3,650.00
Schedule 2 : Secured Loans		
Loans from Banks		
Rupee Term Loans	29.69	763.81
Cash Credit Facilities	1,109.50	909.27
Short Term Rupee Loans	4,000.00	1,000.00
Bill Discounting Facilities	518.72	437.23
Other Rupee Loans		
From Others		
Vehicle Loans	16.86	26.01
	5,674.77	3,136.33
Schedule 3 : Unsecured Loans		
Inter Corporate Deposits		1,800.00
		1,800.00
Schedule 5 : Investments		
Long Term, At Cost		
National Saving Certificates (Lien with sales tax deptt. 2011 Rs. 4.70 lacs , 2010 Rs.0.80 lacs)	4.49	0.80
	4.49	0.80



Future Agrovet Limited

Schedules to Balance Sheet as at March 31, 2011

(Rs. In lacs)

Particulars	As At	As At
	March 31, 2011	March 31, 2010
Schedule 6 : Inventories		
(At lower of cost and net realisable value)		
Finished Goods	7,377.29	6,812.80
	<u>7,377.29</u>	<u>6,812.80</u>
Schedule 7 : Sundry Debtors		
Unsecured, Considered Doubtful		
Outstanding for a period exceeding six months	9.94	-
Less: Provision for Doubtful Debts	(9.94)	-
	<u>-</u>	<u>-</u>
Unsecured, Considered Good		
Outstanding for a period exceeding six months	40.15	-
Other debts*	3,154.65	1,601.79
	<u>3,194.80</u>	<u>1,601.79</u>
	<u>3,194.80</u>	<u>1,601.79</u>
Schedule 8 : Cash and Bank Balances		
Cash in hand	16.93	47.00
Balances with scheduled banks:		
in current accounts	641.15	174.68
in deposit accounts*	31.36	25.06
	<u>689.44</u>	<u>246.74</u>
Schedule 9 : Loans and Advances		
Unsecured, Considered Good		
Advances recoverable in cash or kind or for value to be received	183.26	109.72
Security Deposits	175.34	347.16
Inter Corporate Deposits	-	171.71
Payment / Deduction of Income Tax	44.03	50.66
Value Added Tax Input Credit	18.18	22.47
	<u>420.81</u>	<u>701.71</u>
Unsecured, Considered Doubtful		
Security Deposits	3.46	-
Less: Provision for Doubtful Deposits	(3.46)	-
	<u>-</u>	<u>-</u>
	<u>420.81</u>	<u>701.71</u>
Schedule 10 : Liabilities		
Sundry Creditors	3,703.75	3,319.65
Sundry Deposits	0.11	5.95
Advance from Customers	-	2.61
Other liabilities	68.30	71.32
	<u>3,772.16</u>	<u>3,399.53</u>
Schedule 11 : Provisions		
Fringe Benefit Tax (net of advance tax payments)	-	-
Provision for Gratuity	17.64	19.95
Provision for Leave Encashment	12.50	15.39
	<u>30.13</u>	<u>35.34</u>



Future Agrovet Limited
Schedules to Profit and Loss Account for the year ended on March 31, 2011

	(Rs. In lacs)	
	Year Ended March 31, 2011	Year Ended March 31, 2010
<u>Schedule 12 : Operating Income</u>		
Business Exhibition Income	16.75	20.93
Rent Income	8.92	24.26
Other Operating Income	95.62	111.16
	121.29	156.36
<u>Schedule 13 : Other Income</u>		
Interest Income		
-On Fixed Deposits (TDS 2011 Rs.23372.53; 2010: 16,481)	1.82	1.98
-On Inter Corporate Deposit (TDS 2011 Rs.Nil; 2010: 2,04,658)	77.79	22.51
- On Income Tax Refund	5.58	2.81
Exchange Gain	23.13	17.57
Sundry Balance Written Off	13.46	3.04
Miscellaneous income	0.32	4.51
	122.09	52.42
<u>Schedule 14 : Cost of Goods sold</u>		
Purchase of Trading Goods	72,601.36	54,044.58
Purchase of Packing Materials	593.17	371.41
Freight on Purchases	578.64	266.99
Loading and Unloading Expenses	236.45	151.31
Packing Charges	353.22	194.60
Less: Discounts Received on Purchases	(371.63)	(310.61)
<u>(Increase) / Decrease in Inventories</u>		
Inventory of Trading Goods as at March 31, 2011	7,377.29	6,812.80
Inventory of Trading Goods as at March 31, 2010	6,812.80	5,405.27
	(564.49)	(1,407.53)
	73,426.70	53,310.76
<u>Schedule 15 : Employees Remuneration and Related Benefits</u>		
Salaries, wages and bonus	1,562.32	1,497.56
Contribution to provident and other funds	58.29	72.71
Workmen and staff welfare expenses	70.74	65.07
Gratuity and Leave Encashment Expenses	3.47	(0.51)
	1,694.82	1,634.83



Future Agrovet Limited

Schedules to Profit and Loss Account for the year ended on March 31, 2011

(Rs. In lacs)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Schedule 16 : Operating and Other Expenses		
House Keeping & Security Charges	72.37	127.27
Water and Electricity Expenses	74.19	104.11
Freight and Forwarding Charges	768.43	453.02
Rent	468.22	1,023.48
Rates and Taxes	211.34	153.58
Insurance	38.61	32.58
Repairs and Maintenance		
- Plant and Machinery	2.19	1.82
- Buildings	0.69	3.22
- Others	66.47	59.46
Advertising and Marketing Expenses	16.93	24.28
Brokerage and Commission	38.00	20.29
Guest House Expense	21.12	11.77
Travelling and Conveyance	79.46	60.89
Communication Expenses	52.90	69.59
Printing and Stationery	50.20	36.56
Legal and Professional Fees	43.99	68.72
Auditor's Remuneration	4.80	4.96
Loss on Sale/ Retirement of Fixed Assets	1.23	11.15
Donation	0.36	0.34
Sundry Balance Written Off	-	-
Loss Due to Cash Theft	-	0.07
Provision for Doubtful Debts	9.94	1.82
Provision for Doubtful Deposits	3.46	7.24
Cash Discount	-	6.24
Brand Royalty	11.03	-
Miscellaneous Expenses	5.25	10.55
	2,041.18	2,293.01
Schedule 18 : Financial Expenses		
Interest		
- Fixed Loans	0.87	108.33
- Other Loans	258.89	264.95
- Bill Discounting Charges	134.99	16.88
	394.75	390.16
Bank charges	20.37	40.05
Less - TDS on Inter Company Deposit		
	415.12	430.21



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation:

The financial statements have been prepared to comply in all material respects with the Notified 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 basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) 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 year end. 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 recognized prospectively in current and future periods. Difference between the actual results and estimates is recognized in the period in which the results are known/ materialised.

(c) Fixed Assets and Depreciations

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable of bringing the asset to its working condition for its intended use. Financing costs related 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 operations.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Leasehold Improvements are amortized over the period of the lease and employee perquisites related assets are depreciated over a period of three years. Assets below Rs 5,000/- are written down fully in the year of purchase.

(d) Investment

Investments intended to be held for not more than a year are classified as current Investments and valued at lower of cost and fair value.

Long term Investments are stated at cost. Provision for diminution in value is made only if in the opinion of management such a decline is other than temporary.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(f) Inventories

Inventories are valued at lower of cost or net realizable value. Cost includes purchase cost and direct expenses and indirect expenses incurred in bringing the inventories to their present location and condition and is calculated on Weighted Average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



Future Agrovet Limited
Schedules annexed to and forming part of the accounts as at March 31, 2011
Schedule 18 – Significant Accounting Policies and Notes to Accounts

(g) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(h) 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.

Sale of Goods

Sale is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale is booked net of sales tax and value added tax.

Service Income

Revenues from Services are recognised on completion of services and Listing Fee Income is recognised as soon the vendors are listed on the supplier's list of the stores.

Interest

Interest is recognized on time proportion basis.

(i) Retirement and other employee benefits

Short Term employee Benefits

Short term employee benefits are recognized 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 recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered service. The expense is recognized at the present value of the amounts payable determined using projected unit credit method. Actual gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Account.

(ii) Leases

Leases, where substantially all the risks and benefits of ownership are retained by the Lessor are classified as operating leases. Operating lease and lease rental payments are recognized as an expense in the Profit and Loss account as per contractual terms.



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

(k) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(l) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

(m) Income Taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(n) Provisions, contingent liabilities and contingent assets

A provision is recognised when an enterprise has a present obligation as a result of past event and 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. Contingent liabilities are not recognized, but disclosed in notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

2. Notes to Accounts:

(i) Commitments and contingent liabilities not provided for:

a. Capital Commitment

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 73.50 lacs (2010: Nil).

b. Bank Guarantees outstanding Rs 36.15 Lacs (2010: Rs. 26.00 Lacs)

c. Bill discounting Rs. 518.72 lacs (2010: Nil)



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

(ii) Secured Loans

- (a) Short Term Loans of Rs. 4,000 Lacs and Cash Credit Facilities of Rs.1628.22 Lacs are secured by first and exclusive charge by way of hypothecation of entire current assets, second charge on all other assets not covered under the first charge above and personal guarantee of one of the directors
- (b) Term Loan of Rs.29.69 Lacs is secured by First and exclusive charge on all Assets not charged under the working capital limit, second charge on the immovable property and personal guarantee of one of the directors.
- (c) Vehicle Loans are secured by hypothecation of vehicles.
- (d) Bill Discounting facilities are secured by way of hypothecation of paripasu first charge on stocks and book debts, PDC and Covering letter from PRIL and Personal Guarantee of Mr. Kishore Biyani.
- (e) Of the Secured Loans, an amount of Rs. 29.69 lacs (2010: Rs. 286.90 lacs), of unsecured loans an amount of Rs. Nil (2010: Rs. 180lacs) and of vehicle loan an amount of Rs.10.01 lacs (2010: Rs.9.15 lacs) is payable within twelve months of the year end.

(iii) Fixed Deposits and Investments in National Savings Certificates are under lien with bank for the guarantees given by bank.

(iv) Interest allocated against Fixed Assets amounts to Rs. Nil Lacs. (2010: Rs. 5.52 Lacs)

(v) Debts due from companies under the same management as per the provisions of Section 370(1B) are as under:

Companies under Same Management	(Rs. In Lacs)	
	As At March 31, 2011	As At March 31, 2010
Sundry Debtors		
Pantaloon Retail India Limited	-	41.18
Future Value Retail Limited	3,056.64	1,426.80
Future Mobile & Accessories Ltd.	-	36.49
Home Solutions Retail (India) Ltd	-	6.34
	3,056.64	1,510.81
Inter Corporate Deposits & Interest Due		
Pantaloon Retail India Limited	-	171.71
	-	150.00

(vi) Auditor's Remuneration:

(Rs. in Lacs)

Particulars	Ended on March 31, 2011	Ended on March 31, 2010
Audit Fees*	4.00	4.41
Tax Audit*	0.50	0.55
Out of pocket expenses	0.30	0.05
Total	4.80	4.96

* excluding service tax.



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

- (vii) The balances of Sundry Debtors, Loans and Advances and Sundry Creditors are subject to the confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not expect any material variation.
- (viii) 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.
- (ix) **Related Party Transactions :**
- A. Relationships**
- a) **Holding Company**
Pantaloon Retail (India) Limited
- b) **Fellow Subsidiaries**
- Home Solutions Retail (India) Limited
 - Future Value Retail Limited (erstwhile known as Pantaloon Future Ventures Limited)
 - Future Supply Chain Solutions Limited (erstwhile Future Logistic Solutions Limited)
 - Future bazaar India Limited.
 - FLSL Distribution Services Limited
 - Future Mobile and Accessories Limited.
 - Future Knowledge Service Limited
- c) **Key Management Personnel**
Mr. Narendra Baheti – Managing Director
Mr. Rajendra Baheti-Whole time Director
Mr. Govind Baheti- Whole time Director
- d) **Relatives of Key Management Personnel**
Mr. Manoj Baheti- Brother of Govind Baheti
- e) **Enterprises owned or significantly influenced by key management personnel :**
Rajendra & Co.- Vashi - Proprietor Concern (Narendra Baheti)
Premium Harvest Private Limited (Narendra Baheti)



Future Agrovet Limited
Schedules annexed to and forming part of the accounts as at March 31, 2011
Schedule 18 – Significant Accounting Policies and Notes to Accounts

B. Transaction with related Parties

Transactions with related parties for the year ended on March 31, 2011 are as under:

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel / their relatives	(Rs. In Lacs)
					Relatives of Key Management Personnel
Sales	(34,483.66)	75,714.05 (10,715.97)	(-)	(18.35)	(-)
Purchases	(138.86)	16.95 (1087.6)	(-)	(19.79)	(-)
Service Charges and Other Expenses	6.09 (41.55)	0.79 (45.51)	(-)	(-)	(-)
Purchase of Capital Assets	1.64	2.05 (0.04)	(-)	(-)	(-)
CWIP Sale	(-)	0 (0.27)	(-)	(-)	(-)
Rent Paid	(-)	(-)	(-)	(-)	0
Remuneration	(-)	(-)	165.12 (27.98)	(-)	(1.33) 27.86
Allotment of Shares	(-)	(-)	(-)	(-)	(22.32)
ICD Taken	(850.00)	(-)	(-)	(-)	(-)
ICD Given	(1,000.00)	(-)	(-)	(-)	(-)
ICD Repaid	1000.00	(-)	(-)	(-)	(-)
Interest Received on ICD	55.95 (20.47)	(-)	(-)	(-)	(-)
Advance Given	(-)	0.09 (-)	(-)	(-)	(-)
Interest Paid on ICD	4.27 (-)	(-)	(-)	(4.27)	(-)
Balances					
Receivables	(41.18)	3,056.64 (1,469.63)	(-)	(4.27)	(-)
Payables	301.32 (0.53)	(-) (369.12)	(-)	(0.05)	(-)
ICD Given	(171.71)	(-)	(-)	(-)	(-)
Deposits Given	(-)	(-)	(-)	(-)	(-)

* Figures in Brackets are for previous year.



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

Above statement includes following transaction with Fellow Subsidiaries for amounts exceeding 10% in value.

Nature of Transaction	Home Solution Retail (India) Ltd	Future Mobile & Accessories Ltd.	Future Knowledge Service Ltd.	Future Chain Supply Solutions Ltd.	Future Value Retail Limited	Futurebazaar India Limited
Sales	(-)	(-)	(-)	(-)	75,683.20 (10,715.97)	(-)
Purchases	1.29 (23.42)	(-)	(-)	12.40	(72.30)	(-)
Service Charges and Other Expenses	(-)	(1.08)	(35.07)	(9.36)	0.79 (-)	(-)
Purchase of Capital Assets	(0.04)	(-)	(-)	(-)	1.31	0.74 (-)
CWIP Sales	(0.27)	(-)	(-)	(-)	(-)	(-)
Balances						
Receivable	(6.34)	(36.49)	-	-	3056.64 (1,426.80)	(-)
Payable	(21.14)	-	(88.69)	(87.70)	(107.80)	(-)

* Figures in Brackets are for previous period

Above statement includes following transaction with Enterprises owned or significantly influenced by key management personnel / their relatives for amounts exceeding 10% in value:

(Rs. Lacs)

Nature of Transaction	Rajendra & Co.	Premium Harvest Private Limited
Sales	(18.35)	(-)
Purchases	3.18 (19.79)	(-)
Advance Given	(-)	(4.27)
Balances as on March 31,		
Receivable	(-) (0.05)	(-) (4.27)

* Figures in Brackets are for previous period

(x) Managerial remuneration:

(Rs. In Lacs)

Particulars	For Year ended on March 31, 2011	For Year ended on March 31, 2010
Salaries	161.97	26.75
Contribution to Provident fund	3.15	1.23
Total	165.12	27.98



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

Notes:-

- (a) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.
- (b) The Company has not paid any commission to directors and hence computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been disclosed.
- (xi) 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.

(xii) Gratuity and other post – employment benefit plans:

Defined Benefit Plan

Reconciliation of Opening and Closing balances of Defined Benefit Plan.

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligation at the beginning of the year	16.33	19.33	11.62	21.95
Current service cost	6.72	10.38	5.22	9.72
Interest cost	1.31	1.55	0.93	1.13
Actuarial (gain)/Loss	13.22	(11.24)	10.11	(12.03)
Benefits paid	19.95	(0.05)	15.39	(5.38)
Present value of obligation at the end of the year	17.64	19.95	12.50	15.39

Reconciliation of fair value of assets and obligation

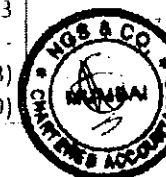
(Rs. in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligation	17.64	19.95	12.50	15.39
Less: Fair Value of the plan assets				
Liability Recognised in the Balance sheet	17.64	19.95	12.50	15.39

Expenses in statement of Profit & Loss

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Current service cost	6.72	10.38	5.22	9.72
Interest cost	1.31	1.55	0.93	1.13
Expected return on plan assets	-	-	-	-
Actuarial (gain)/Loss	(13.23)	(11.24)	(10.11)	(12.03)
Net Cost	21.26	0.68	16.26	(1.19)



Future Agrovet Limited
Schedules annexed to and forming part of the accounts as at March 31, 2011
Schedule 18 – Significant Accounting Policies and Notes to Accounts

The Principle assumptions used in the actuarial valuation are as below

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Discounted rate (per annum)	8%	8%	8%	8%
Expected rate of future salary increase	5%	5%	5%	5%

(xiii) Value of import calculated on CIF basis

Particulars	(Rs. in Lacs)	
	For the year Ended on March 31, 2011	For the year Ended on March 31, 2010
Trading goods	376.57	241.21
Total	376.57	241.21

(xiv) Expenditure in Foreign Currency

Particulars	(Rs. in Lacs)	
	For the year Ended on March 31, 2011	For the year Ended on March 31, 2010
Travelling Expenses	1.58	2.32
Total	1.58	2.32

(xv) Earnings Per Share:

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

Particulars	2010-11	2009-10
Profit (Loss) after tax (Rs. In Lacs)	209.55	(27.30)
Weighted average number of equity shares outstanding during the period - Basic (Nos.)	36,500,000	36,500 000
Weighted average number of equity shares outstanding during the period - Diluted (Nos.)	37,500,000	36,500 000
Earnings per share of Rs.10/- each		
- Basic (Rupee)	0.57	(0.07)
- Diluted (Rupee)	0.56	



Future Agrovet Limited

Schedules annexed to and forming part of the accounts as at March 31, 2011

Schedule 18 – Significant Accounting Policies and Notes to Accounts

(xvi) Leases

The company has taken various warehouses, offices and stores on leases. The lease rentals recognised in the profit and loss account for the year are Rs. 468.22Lacs (2010: Rs. 1,023.48 Lacs). The future lease payments of operating lease are as follows:

	(Rs. in Lacs)	
Minimum Lease Payments :	2010-11	2009-10
Not later than one year	303.23	917.74
Later than one year but not later than five years	717.54	2,935.93
Later than five years	23.10	1,489.43

(xvii) Deferred Tax Assets:

Deferred Tax Assets calculated as per AS – 22 on "Accounting for Taxes on Income" is as under:

Particulars	(Rs. in Lacs)	
	For the year Ended on March 31, 2011	For the year Ended on March 31, 2010
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	39.91	46.12
Total	39.91	46.12
Deferred Tax Asset		
Disallowances under the Income tax Act, 1961	13.45	13.72
Carry Forward Loss	3.94	90.40
Depreciation Loss	199.48	197.51
Total	216.87	301.63
Net Deferred Tax Asset	176.97	255.51

(xviii) Sales, Purchases, Opening and Closing Stock

Particulars	Oil		Staples		Others		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Stock								
Qty	6,22,589	5,79,007	1,32,68,787	1,14,83,752	-	-	-	-
Rs. In Lacs	530.14	512.86	5,140.02	3,681.78	1,142.64	1,210.63	6,812.80	5,405.27
Purchases								
Qty	23,702,561	74,81,648	145,164,690	11,39,91,308	-	-	-	-
Rs. In Lacs	20,138.00	5,942.45	52,175.00	44,371.73	881.53	4,085.36	73,194.53	54,499.55
Sales*								
Qty	22,969,729	74,38,066	144,189,763	11,22,06,273	-	-	-	-
Rs. In Lacs	19,794.00	5,907.21	55,647	48,252.07	3,451.73	3,451.89	78,892.73	57,611.18
Closing Stock								
Qty	1,355,421	6,22,589	14,243,714	1,32,68,787	-	-	-	-
Rs. In Lacs	1345.58	530.14	5,403.79	5,140.02	627.92	1,142.64	7,377.29	6,812.80

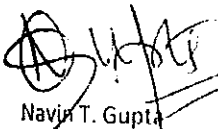
* Sales include handling losses, free sampling, scraps and KB Hiveoff.



Future Agrovet Limited
Schedules annexed to and forming part of the accounts as at March 31, 2011
Schedule 18 – Significant Accounting Policies and Notes to Accounts

- (xix) These accounts have not been authenticated by a whole time Company Secretary as required under section 215 of the Companies Act, 1956, as no whole time Company Secretary has been appointed by the Company as required under section 383 (A) of the Act.
- (xx) One of the group company (Home Solution Retail (India) Limited) have filed a case in Delhi High Court for 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 66.27 lacs towards service tax liability. Based on the earlier decision of Delhi High Court and the interpretation of other relevant provisions, the company is confident that demand is likely to be deleted.
- (xxi) During the year company has transferred its KB fair price business to Future Value Retail Limited on slump sale basis as a going concern with effect from April 1, 2010.
- (xxii) Previous Period Comparatives
Previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

For NGS & Co.
Chartered Accountants

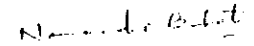

Navin T. Gupta
Partner
Membership No. 40334
Place: Mumbai
Dated: 20.08.2011



For and on behalf of the Board of Directors
Future Agrovet Limited


Director

Place: Mumbai
Dated: 20.08.2011


Managing Director

Place: Mumbai
Dated: 20.08.2011

