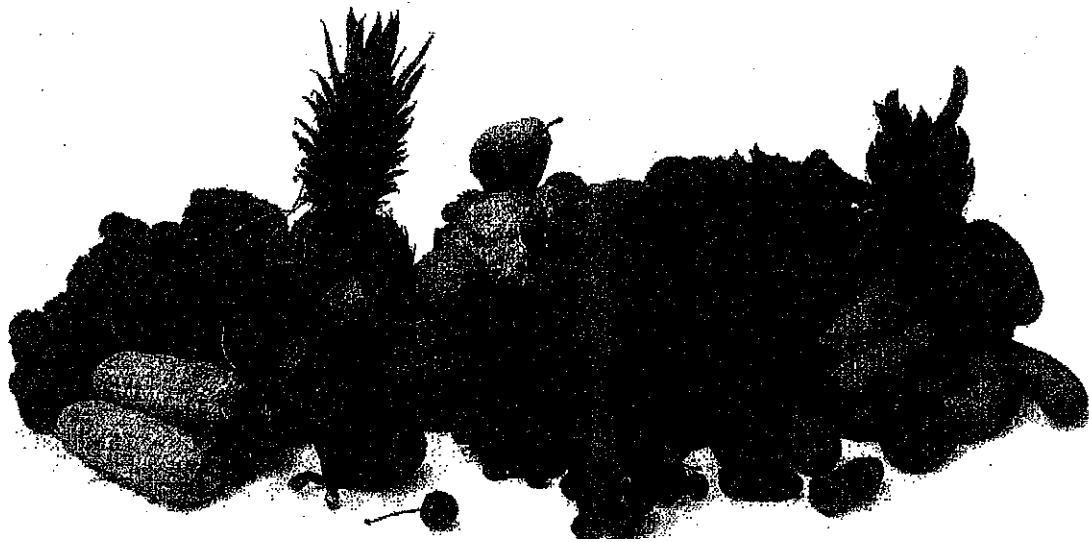




FUTURE FRESHFOODS LIMITED



Annual Report 2010-2011



Mulind

Future Freshfoods Limited

Knowledge House, Shyam Nagar,
off. Jogeshwari-Vikhroli Link Road,
Jogeshwari (E), Mumbai - 400060

Report of the Board

To,
The Members,
Future Freshfoods Limited

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

FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

	Period ended 31 March, 2011
Turnover	42,986,656
Other income	219,124
Total Income	43,205,780
Expenditure (excluding depreciation)	36,834,679
Depreciation	7,304,363
Total expenditure	44,139,042
Profit / (Loss) before tax	(9,581,782)
Tax (Deferred)	(2,324,114)
Profit / (Loss) after tax	(11,905,896)
EPS	(76.94)

BUSINESS OVERVIEW

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

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

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

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

Call: 91 22 30841300 | Fax: 91 22 66442201 | Visit: <http://www.futuregroup.in>



INCORPORATION DETAILS

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

SHARE CAPITAL

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

DIVIDEND

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

FIXED DEPOSIT

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

DIRECTORS

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the Annual Accounts for the financial period ended 31 March, 2011 the applicable accounting standards have been followed along with proper explanations relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the loss of the Company for the period ended 31 March, 2011;



- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- that the Directors have prepared the accounts for the financial period ended 31 March, 2011 on a 'going concern' basis.

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

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

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

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

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

COMPLIANCE CERTIFICATE

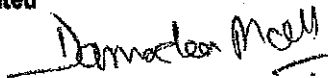
The Compliance Certificate obtained from a Company Secretary in Wholtime Practice pursuant to section 383A of the Companies Act, 1956 for the financial period ended 31 March 2011 is annexed herewith and forms part of this report.

ACKNOWLEDGEMENT

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

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


Director


Director

Place: Mumbai
Dated: 25/07/2011



Annexure "I"

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

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

Notes:

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

h. *May*

K Bindu & Associates

Company Secretaries

Tel : (O) 28784043 (R) 28779546

Mobile : 9892349554

E-mail : kbindudshah@gmail.com

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

FORM COMPLIANCE CERTIFICATE

To,

The Members

FUTURE FRESHFOODS LIMITED

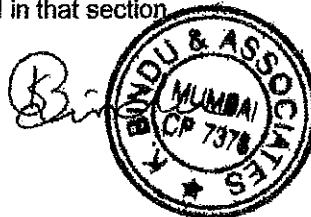
Registration No. : **U01403MH2010PLC201760**

Authorised Capital: **Rs.200,00,000**

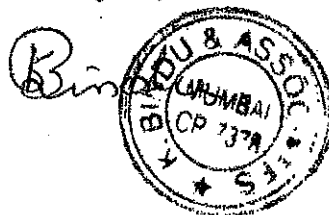
Paid up Capital: **Rs. 100,00,000**

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

1. the company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. the company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under or thereafter with additional fees as may be prescribed.
3. the company being a public limited Company has the minimum prescribed paid up capital during the period under scrutiny.
4. the Board of Directors duly meet thirteen (13) times respectively on 7 April 2010, 4 May 2010, 16 June 2010, 21 June 2010, 19 July 2010, 17 August 2010, 20 September 2010, 25 September 2010, 15 November 2010, 3 December 2010, 3 January 2011, 21 February 2011 and 3 March 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. the Company has not closed its Register of Members during the financial period.
6. The Company has newly incorporated on 6 April 2010 and yet to hold its first Annual General Meeting for the financial period 31st March, 2011.
7. There were four Extra-Ordinary General Meetings during the financial period under report which were held on 3 May 2010, 24 September 2010, 25 November 2010 and 25 March 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
8. the company has not advanced any loans to its directors or persons or firms or companies referred in Section 295 of the Act, during the period under scrutiny.
9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.



10. the company has complied with the requirements of maintaining the register required under section 301 of the Act.
11. there were no instances falling within the purview of Section 314 of the Act, and hence the company was not required to obtain any approvals from the Board of Directors, members or the Central Government pursuant to section 314 of the Companies Act.
12. there were no instances of issue of duplicate share certificates during the financial period.
13. the Company has:
 - (i) delivered all the certificates on allotment of securities and on transfer/transmission of shares in accordance with the provisions of the Act;
 - (ii) not declared any dividend during the financial period and hence there was no need to deposit the amount of dividend declared in a separate bank account;
 - (iii) not declared any dividend and hence there were no dividend warrants to be paid/posted during the financial period.
 - (iv) no balance of the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for seven years and accordingly there was no need for transfer of any such amount to Investor Education and Protection Fund.
 - (v) complied with the requirements of section 217 of the Act during the period under review.
14. the Board of Directors of the Company is duly constituted. There were appointed one additional director during the financial period ended 31st March, 2011.
15. the Company has not appointed Whole-time Director/ Managing Director/ Manager during the financial period.
16. the Company has not appointed any sole-selling agents during the financial period.
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies as may be prescribed under the various provisions of the Act during the financial period.
18. the directors have timely disclosed their interest in other firms/companies to the Board of Directors pursuant to the applicable provisions of the Act and the rules made thereunder.
19. Company has issued and allotted 950,000 equity shares (i.e 791,700 equity shares of Rs.10 each fully paid at a premium of 113/- per share and 158,300 equity shares of Rs.10 each at par respectively) during the financial period ending 31st March, 2011.
20. the company has not bought back any shares during the financial period ending 31st March, 2011. the company does not have any preference shares/debentures at the end of the financial period under report, hence, matter of redemption of any preference shares/debentures during the period does not arise.

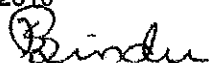


21. The Company does not have any preference shares/ debentures at the end of the financial period under report, hence the matter of redemption of any preference shares/ debentures during the period does not arise.
22. the company has not declared any dividend or issued any bonus shares or rights shares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

Place: Mumbai

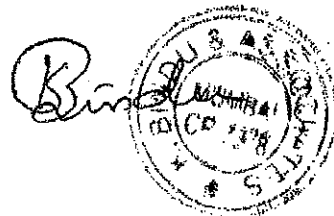
Date: 25/07/2010

Signature:



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

C.P. No.: 7378



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

Annexure A

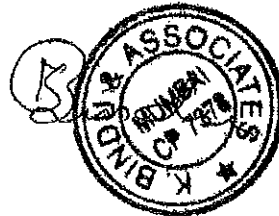
Registers as maintained by the Company

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

Annexure B

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

Sr. No	Form No.	Filed under section	Particular	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form No.2	75(1)	Return of allotment	05/02/2011	No	Yes
2.	Form No.2	75(1)	Return of allotment	05/02/2011	No	Yes
3.	Form No.5	97 or 94A(2)	Increase in Authorised Equity Share Capital	12/01/2011	No	Yes
4.	Form No.22	165	Statutory Report	06/10/2010	No	Yes
5.	Form No.23	192	Registration of Resolution	29/06/2010	No	Yes
6.	Form No.32	303(2)	Appointment of Additional / Resignation of Director	14/07/2010	No	Yes



AUDITORS' REPORT

To
The Members of,
FUTURE FRESHFOODS LIMITED,

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

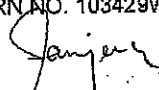
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- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011.
 - ii) In the case of the Profit and Loss Account, of the loss of the company for the period ended on that date.
 - iii) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For GMJ & Co
Chartered Accountants
FRN NO. 103429W


(CA S. MAHESHWARI)
Partner
M. No. 38755

PLACE: MUMBAI
DATE: 25th JULY, 2011



**ANNEXURE TO THE AUDITORS' REPORT
(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)**

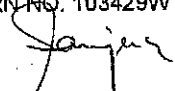
- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the company during the year, which in our opinion is reasonable having regard to the size of the company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



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

PLACE : MUMBAI
DATE : 25th JULY, 2011

For GMJ & Co
Chartered Accountants
FRN NO. 103429W


(CA S. MAHESHWARI)
Partner
M. No. 38755



FUTURE FRESHFOODS LIMITED

BALANCE SHEET AS AT MARCH 31, 2011 .

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

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

As per our Report of even date

For GMJ & Co

CHARTERED ACCOUNTANTS

FRN No. 103429W

Sanjeev Maheshwari

Partner

Membership No.: 38755

Place : Mumbai

Dated :

25 JUL 2011



For and on behalf of Board of Directors

Sanjay Rath
Sanjay Rath
Director

Damodar Mall
Damodar Mall
Director



Nahul Gadhani
(Finance - Controller)

FUTURE FRESHFOODS LIMITED

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

		2010-2011
		Rs.
INCOME		
Sales and Operating Income		42,968,656
Other income	10	219,124
		43,187,780
EXPENDITURE		
Cost of Goods Sold	11	41,593,204
Personnel Cost	12	17,413,711
Operating and Other Expenses	13	17,327,764
Depreciation		7,384,863
		83,719,542
LOSS BEFORE TAXATION		(40,531,762)
PROVISION FOR TAXATION		
Deferred Tax		(12,524,314)
		(12,524,314)
LOSS AFTER TAXATION		(28,007,448)
LOSS CARRIED FORWARD		(28,007,448)
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS		14

Earning Per Share (Basic/Diluted) in Rs. (Refer Note - 12)

Basic	(76.94)
Diluted	(76.94)

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

As per our Report of even date

For GMJ & Co

CHARTERED ACCOUNTANTS

FRN No. 103429W

Sanjeev Maheshwari

Sanjeev Maheshwari

Partner

Membership No.: 38755

Place: Mumbai

Dated: 25 JUL 2011

For and on behalf of Board of Directors

Sanjay Rathi
Sanjay Rathi
Director

Damodar Mall
Damodar Mall
Director



Mahesh Gadhavi
(Finance Controller)

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

	As At March 31, 2011 Rs.
SCHEDULE 1 : SHARE CAPITAL	
Authorised 20,00,000 Equity shares of Rs.10/- each	20,00,000
Issued, Subscribed and Paid up 10,00,000 Equity shares of Rs.10/- each fully paid (Of the above: 7,91,700 Equity shares of Rs.10/- each are held by Future Value Retail Limited, the Holding Company)	10,00,000
SCHEDULE 2 : RESERVES AND SURPLUS	
Share Premium Received during the period	89,462,100
	89,462,100
SCHEDULE 4 : INVENTORIES (At the lower of cost or net realisable value)	
Inventories - Finished Goods	516,891
SCHEDULE 5 : SUNDRY DEBTORS (Unsecured and considered good unless otherwise stated)	
Outstanding over six months	8,462,832
Others (Refer Note - 9)	8,462,832
SCHEDULE 6 : CASH AND BANK BALANCES	
Cash on Hand	16,742
Balances with Scheduled Banks	57,462,539
(i) In Current Account	10,000,000
(ii) In Deposit Account	67,479,281
SCHEDULE 7 : LOANS AND ADVANCES (Unsecured and considered good unless otherwise stated)	
Loans and Advances recoverable in cash or in kind or for value to be received	586,871
Deposits	1,937,500
Advance Payment of Taxes (Net of Provision for taxation)	21,701
	2,546,072
SCHEDULE 8 : CURRENT LIABILITIES	
Sundry Creditors	
Due to Micro, Small and Medium Enterprises	23,526,569
Others (Refer Note - 10)	1,272,828
Other Liabilities	24,799,397
SCHEDULE 9 : PROVISIONS	
Gratuity	257,625
Leave Encashment	230,897
	488,522



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

	2010-2011 Rs.
SCHEDULE 10 : OTHER INCOME	
Other income	2,111
Interest Income - Bank	217,013
(TDS Rs.21701 /-)	<u>219,124</u>
SCHEDULE 11 : COST OF GOODS SOLD	
Purchases	42,110,095
Less: Closing Stock	516,891
Cost of Goods Sold	<u>41,593,204</u>
SCHEDULE 12 : PERSONNEL COST	
Salaries, Wages, Gratuity, Bonus and Other Allowances	17,215,880
Contribution to Provident Fund and Other Funds and Administration Charges	190,265
Employee Welfare Expenses	7,566
	<u>17,413,711</u>
SCHEDULE 13 : OPERATING AND OTHER EXPENSES	
Labour Charges	797,327
Packing Materials	199,811
Power and Fuel	132,000
Rent	1,386,230
Repairs and Maintenance - Others	30,408
Rates and Taxes	201,393
Insurance	79,508
Auditor's Remuneration	175,000
Legal and Professional Fees	6,976,362
Freight and Cartage	3,910,950
Travelling and Conveyance expenses	1,926,352
Capital Issue Expenses w/o	319,054
Preliminary Expenses w/o	558,869
Other Expenses	634,500
	<u>17,327,764</u>



FUTURE FRESHFOODS LIMITED

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE 3: FIXED ASSETS

(In Rs)

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



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

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

NOTES:

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

For GMJ & Co
CHARTERED ACCOUNTANTS
FRN No. 103429W

Sanjeev Maheshwari
Sanjeev Maheshwari
Partner
Membership No.: 38755



Place : Mumbai

Dated : 25 Jul 2011

For and on behalf of the Board

Sanjay Rathi
Sanjay Rathi
Director

Damodar Mall
Damodar Mall
Director



Nalini Cattani
(Finance-controller)

SCHEDULE 14 : NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES:

1 Basis of Accounting

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

2 Use of Estimates

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

3 Fixed Assets & Depreciation

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

4 Inventories

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

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

5 Revenue Recognition

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

6 Retirement and other employee benefits

Short Term Employee Benefits:

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

Post Employment Benefits:

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

7 Provision for current and deferred tax

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

8 Provisions, Contingent Liabilities and Contingent Assets

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

9 Impairment of Assets

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



10 Leases

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

11 Earning Per Share

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

B NOTES ON ACCOUNTS:

1 DEFERRED TAX:

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

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

The timing differences result in a net deferred asset, relating mainly to carried forward losses under the Income Tax Act, 1961. The deferred tax asset has been recognized as the company is in first year of operation, business is for part of the year and in the current year operation have started in full swing. The management is certain that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

2 QUANTITATIVE INFORMATION:

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

3 DISCLOSURE IN RESPECT OF LEASES:

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

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

Particulars	2010-2011 (Rs.)
i. Not later than one year	6,235,250
ii. Later than one year and not later than five years	16,389,747
iii. Later than five years	14,720,739

b. Lease payments recognised in the statement of Profit & Loss for the period :

Minimum lease payments

1,386,230

2010-2011 (Rs.)

4 CONTINGENT LIABILITY

Nil

5 AUDITORS' REMUNERATION:

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



6 **EMPLOYEE BENEFITS PROVISIONS:**

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

I. Defined Contribution Plans:

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

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

II. Defined Benefit Plans:

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

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

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

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



8 RELATED PARTY DISCLOSURES:

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

1. Relationships :

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

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

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

(In Rs.)

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

9 SUNDRY DEBTORS

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

10 SUNDRY CREDITORS

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

11 SEGEMENT REPORTING

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

12 EARNINGS PER SHARE:

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

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

For Future Freshfoods Limited

Sanjay Bahi
Director

Place : Mumbai

Dated : 25 JUL 2011



Damodar Mall
Director

Shahul Gabbani
(Finance Controller)

Balance Sheet Abstract and Company's General Business Profile:

Information Pursuant to part IV of Schedule VI to the Companies Act, 1956

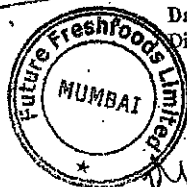
I. Registration Details:			
	Registration No.	U01403MH2010PL201760	State Code 11
	Balance Sheet date	31/03/2011	
II. Capital raised during the year (Amount Rs. In Rupees)			
	Public Issue	NIL	Bonus Issue NIL
	Right Issue		Private Placement 10,000,000
III. Position of Mobilisation and Development of Funds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

For Future Freshfoods Limited

Sanjay Rath
Director

Place : Mumbai

Dated : 25 JUL 2011



Damodar Mall
Damodar Mall
Director

Mahesh Gadhavi
(Finance - controller)