

an integrated food & FMCG company

5th February, 2014

To
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 533400

Dear Sirs,

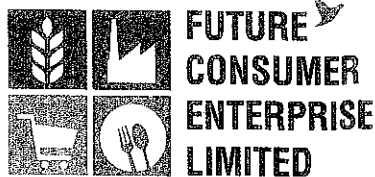
Ref: Application under Clause 24 (f) of the Listing Agreement

Sub: Scheme of Amalgamation of Future Agrovet Limited ("the Transferor Company") with Future Consumer Enterprise Limited ("FCEL" or "the Transferee Company") and their respective Shareholders.

With reference to your checklist, we are enclosing following additional set of documents:

Sr. No.	Documents to be submitted alongwith application under Clause 24(f) of the Listing Agreement	Page Nos.
1.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the High Court.	1-13
2.	Valuation report from Independent Chartered Accountant as applicable as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013.	14-18
3.	Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 3 above	19-20
4.	Fairness opinion by Merchant Banker	21-26
5.	Shareholding pattern of all the companies pre and post Amalgamation / Arrangement as per Clause 35 of the Listing Agreement.	27-33
6.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure I	34-39





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Sr. No.	Documents to be submitted alongwith application under Clause 24(f) of the Listing Agreement	Page Nos.
7.	Un-audited financial results of the transferee / resulting company for the quarter ended 31 st December, 2013 and audited financial statement of the transferor/demerged company for the period ended 31 st December, 2013.	40-41
8.	Compliance Report as per clause 49 of the listing agreement per Annexure II	42-43
9.	Complaint report as per Annexure III . (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme).	We will submit the Complaints Report within 7 days of the expiry of 21 days from the date of filing of documents with Stock Exchange(s)
10.	Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 as per Annexure IV	44-45

We request to take the above on record and oblige. We request you to provide necessary "No Objection" at the earliest so as to enable us to file the Scheme with the Hon'ble High Court.

If you require any further clarifications / information, we would be happy to provide the same.

Thanking you,

Yours faithfully,

For Future Consumer Enterprise Limited

(formerly known as Future Ventures India Limited)


Manoj Gagvani

Company Secretary & Head – Legal

Encl.: As above

**SCHEME OF AMALGAMATION
BETWEEN
FUTURE AGROVET LIMITED
WITH
FUTURE CONSUMER ENTERPRISE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

(A) PREAMBLE

This Scheme of Amalgamation ('Scheme') is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for:

- (a) Amalgamation of Future Agroviet Limited with Future Consumer Enterprise Limited and their respective shareholders.
- (b) This Scheme also provides for various other matters consequential or otherwise.

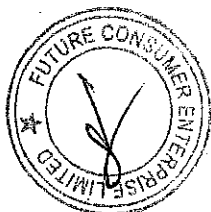
(B) RATIONALE

The key objective of this Scheme is to ensure simplification of group structure by elimination of multiple entities and achieve greater administrative efficiency, elimination of administrative functions and multiple record keeping, thus resulting in reduced expenditure, and significant reduction in the multiplicity of regulatory compliances.

(C) PARTS OF THE SCHEME:

This Scheme of Amalgamation is presented under section 391 to 394 and other applicable provisions of the Companies Act, 1956 and is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with the amalgamation of Future Agroviet Limited with Future Consumer Enterprise Limited;
- (iii) **PART III** deals with general terms and conditions applicable to this Scheme.



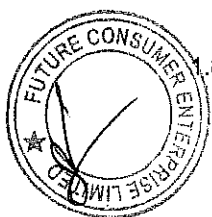
PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act" or "The Act"** means the Companies Act, 1956 (including Companies Act, 2013, if applicable) or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **"Appointed Date"** means 1st day of April, 2014 or such other date as may be approved by the High Court of Judicature at Bombay;
- 1.3 **"Board"** means Board of Directors and includes a committee thereof;
- 1.4 **"Court" or "High Court"** means the High Court of Judicature of Bombay and shall include the National Company Law Tribunal, if and when applicable;
- 1.5 **"Effective Date"** means date on which the certified copy of the Order of High Court of Judicature at Bombay under Sections 391 - 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai by FAL and FCEL;
- 1.6 **"FAL" or "the Transferor Company"** means Future Agrovat Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd Jogeshwari (E), Mumbai-400060;
- 1.7 **"FCEL" or "the Transferee Company"** means Future Consumer Enterprise Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd Jogeshwari (E), Mumbai-400060;
- 1.8 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form as submitted to the High Court of Judicature of Bombay or this Scheme with such modification(s), if any made, as per Clause 16 of the Scheme;



All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

2.2 Any reference in this Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "upon the coming into effect of the Scheme" shall mean the Effective Date.

3. SHARE CAPITAL

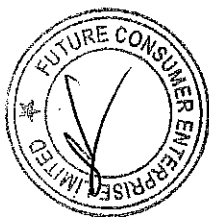
3.1 The authorized, issued, subscribed and paid-up share capital of FAL as on March 31, 2013 is as under:

Share Capital	INR in Lacs
<u>Authorized Share Capital</u>	
6,00,00,000 Equity Shares of Rs. 10 each	6,000.00
TOTAL	6,000.00
<u>Issued, subscribed and paid-up Share Capital</u>	
3,65,00,000 Equity Shares of Rs. 10 each, fully paid up	3,650.00
TOTAL	3,650.00

Subsequent to the above date, there has been no change in the capital structure of the company. The entire equity share capital of FAL is held by FCEL.

3.2 The authorized, issued, subscribed and paid-up share capital of FCEL as on March 31, 2013 is as under:

Share Capital	INR in Lacs
<u>Authorized Share Capital</u>	
5,55,00,00,000 Equity Shares of Rs. 6 each	3,33,000.00
167,00,00,000 shares of Rs. 10 each	1,67,000.00
TOTAL	5,00,000.00



Share Capital	INR in Lacs
Issued, subscribed and paid-up Share Capital	
159,79,76,671 Equity Shares of Rs. 6 each, fully paid up	95,878.60
TOTAL	95,878.60

Subsequent to above and as on date, there has been no change in the capital structure of the company.

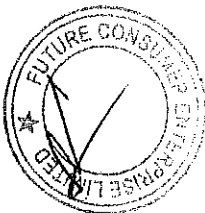
AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFeree COMPANY

4. TRANSFER AND VESTING

4.1 With effect from the Appointed Date, the whole of the undertaking including assets, investments and properties of the Transferor Company, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets, investments and properties of the Transferee Company.

4.1.1 Any and all assets relating to the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme shall stand transferred and vested by the Transferor Company to the Transferee company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting in the Transferee company.

4.1.2 Any and all movable properties of the Transferor Company, other than those specified in sub-clause 4.1.1 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any

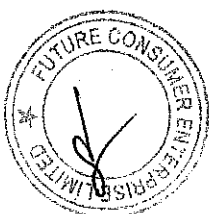


further act, instrument or deed, be transferred and vested as the property of the Transferee company.

4.1.3 Any and all immovable properties (including land together with the buildings and structures standing thereon) of the Transferor Company, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in the Transferee company, without any act or deed done by the Transferor Company or the Transferee company. With effect from the Appointed Date, the Transferee company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of the Transferee company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of the Transferee company

4.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company, as on the Appointed Date, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Court or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by the Transferor Company required to carry on operations shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental



approvals and consents, registration or other licenses, and consents shall vest in and become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- 4.4 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date, over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend or enlarge to any of the other assets of the Transferee Company.

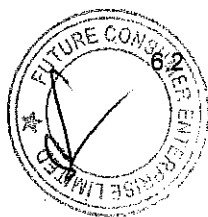
5. CONSIDERATION

- 5.1 The entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the Transferor Company and the share capital of the Transferor Company shall stand cancelled.
- 5.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by the Transferee Company in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company.

6 ACCOUNTING TREATMENT

- 6.1 All assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective fair values.

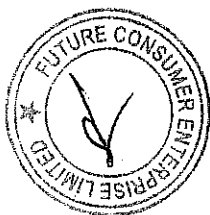
The investment in the share capital of the Transferor Company held by the Transferee Company, if any, as on Effective date, shall stand cancelled.



- 6.3 Inter-company balances, if any, will stand cancelled;
- 6.4 The difference, between the fair value of assets and the fair value of liabilities transferred to the Transferee Company, after making the adjustment as mentioned in clause 6.2 and 6.3 above, in case of excess, shall be credited to Capital Reserve Account and in case of shortfall, be debited to Goodwill Account.

7. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 7.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertakings, for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date or Appointed Date, whichever is later.
- 7.2 Until the Scheme is effective, the Transferor Company shall carry on its businesses and activities with reasonable diligence and business prudence and shall not, alter or diversify its respective business nor venture into any new business, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- 7.3 With effect from the Appointed Date upon the Scheme becoming effective, all the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company, shall for all purposes be treated as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 7.4 The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be.
- 7.5 The Transferor Company and/or the Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or



rules, for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of the Transferor Company.

8. LEGAL PROCEEDINGS

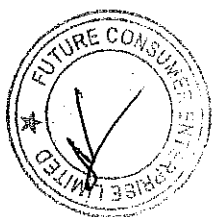
8.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

8.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

9. CONTRACTS, DEEDS, ETC

9.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

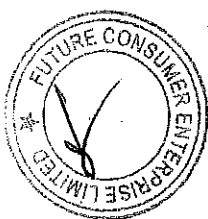
9.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.



- 9.3 All taxes of any nature, duties, cess or any other like payments or deductions made by Transferor Company to any statutory authorities such as Income Tax, Sales tax, Service Tax, Value Added Tax etc. or any tax deduction/ collection at source, relating to the period after the Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the order on this Scheme by the High Court or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.
- 9.4 The Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.
- 9.5 All cheques and other negotiable instruments, payment orders received in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by Transferor Company for payment after the Effective Date

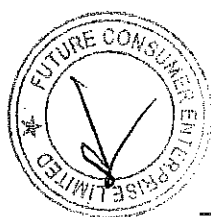
10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.



11. STAFF, WORKMEN & EMPLOYEES

- 11.1 All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.
- 11.2 The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.
- 11.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees or be transferred to and merged with other similar funds of the Transferee Company.
- 11.4 It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of the Transferor Company and the Transferee Company or through any committee / person



11

duly authorized by the Board in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

- 11.5 With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with written consent of the Transferee Company.

12. WINDING UP

The Transferor Company shall stand dissolved automatically without being wound up.

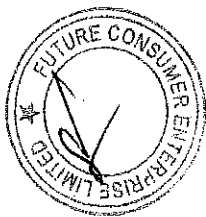
13. COMBINATION OF AUTHORISED CAPITAL

- 13.1 Upon coming into effect of the Scheme, the Authorized Share Capital of the Transferor Company as mentioned in Clauses 3.1 above, or such amount as may be on the Effective Date, may be added to the Authorized Share Capital of the Transferee Company, as on Effective Date, without any further act or deed and without any further payment of stamp duty or the registration fees and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company to be amended accordingly.
- 13.2 The Authorized Capital to be increased by Rs. 60,00,00,000 (Rupees Sixty Crores Only) divided into 10,00,00,000 Equity Shares of Rs. 6 each.

PART III - GENERAL TERMS AND CONDITIONS

14. APPLICATION TO HIGH COURT

- 14.1 The Transferor Company and the Transferee Company, as may be directed by the High court of Judicature at Bombay shall make all necessary applications and petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act for seeking approval of the Scheme.



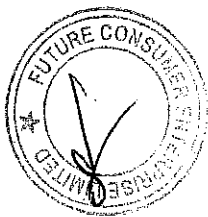
15. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- (a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferee Company and the Transferor Company as may be directed by the respective High Court.
- (b) The approval by the requisite majority of the such members of the Transferee Company as required under the listing agreements entered in to by the Transferee Company with the Stock Exchanges or / Securities and Exchange Board of India Guidelines / Regulations;
- (c) The Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 and other applicable provisions of the Act.
- (d) The certified copies of the Orders of High Court of Judicature at Bombay under Sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra, by the Transferor Company and the Transferee Company.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company with approval of their respective Boards may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and /or impose. The aforesaid powers of the Transferor Company and the Transferee Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Boards or any person authorised in that behalf by the concerned Board subject to approval of the Hon'ble Court or any other authorities under applicable law.

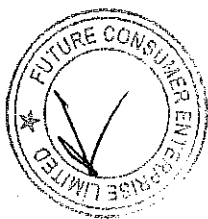


17. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Bombay High Court or such other competent authority and / or the Order not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.





MANISH P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

217, Daryasthan Building,
33, Daryasthan Street, Vadgadi,
Mumbai - 400 003. ☎ (022) 2344 6683
E-mail : clients.manish@rediffmail.com

To,
The Board of Directors

Future Agrovet Limited Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd, Jogeshwari (E), Mumbai-400060	Future Consumer Enterprise Limited Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd, Jogeshwari (E), Mumbai-400060
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Dear Sirs,

Subject: **Valuation of Future Agrovet Limited and Future Consumer Enterprise Limited**

We have been requested by the management of the above companies to issue this report in connection with Scheme of amalgamation of Future Agrovet Limited ('FAL') with Future Consumer Enterprise Limited ('FCEL') under sections 391 to 394 of the Companies Act, 1956 ("the Act").

1 Background

1.1 FAL is a public limited company incorporated under the provisions of the Companies Act, 1956 on April 13, 2005 having its registered office at Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd Jogeshwari (E), Mumbai-400060. FAL is a wholly owned subsidiary of FCEL and is engaged in procuring, processing and supplying agricultural commodities in loose and packaged form under various private brands in addition to dealing to other branded/ non-branded products. The shares of FAL are not listed on any Stock Exchange.

1.2 FCEL is a public limited company incorporated under the provisions of the Companies Act, 1956 on July 10, 1996, having its registered office at Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd Jogeshwari (E), Mumbai-

Privileged & Confidential

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CERTIFIED TRUE COPY
For FUTURE CONSUMER ENTERPRISE LIMITED

MANOJ BACHANI
COMPANY SECRETARY & HEAD - LEGAL

400060. FCEL leads the integrated food strategy of Future Group. The shares of FCEL are listed on the BSE Limited and National Stock Exchange of India Limited.

- 1.3 It is proposed to merge FAL into FCEL pursuant to a Scheme of amalgamation under sections 391 to 394 of the Act.

2 Information Sources

We have relied on the following sources of information and documents:

- Audited financial statements of FAL and FCEL for last three years ending financial year 2013;
- Audited financial statements of FAL for the period April 1, 2013 to December 31, 2013
- Draft Scheme of amalgamation under section 391-394 of the Act; and
- Our discussions from time to time with the management representatives of FAL and FCEL.

3 Limitation and Exclusions

- 3.1 We have relied on the representations made to us by the management. We have assumed such representations to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects.
- 3.2 Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that we have conducted procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.
- 3.3 This report has been prepared for the management of FAL and FCEL solely for the purpose of proposed merger of FAL with FCEL. This report should not be used for any other purpose.

4 Conclusion

- 4.1 As per audited financials of FAL, its Net Asset Value as on December 31, 2013 is INR 2,916.71 Lacs. The working for the same is given below:

NET ASSET VALUE OF FAL AS ON DECEMBER 31, 2013


Particulars	Rupees (in Lacs)	Rupees (in Lacs)
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	1,971.27	
Non-Current Investments	0.49	
Long Term Loans & Advances	336.16	
Other Non-Current Assets	20.40	
Total Non Current Assets		2,328.32
Current Assets		
Current Investments	0.57	
Inventories	6,132.75	
Trade Receivables	7,221.34	
Cash & Bank Balances	179.95	
Short Term Loans & Advances	2,074.18	
Other Current Assets	192.83	
Total Current Assets		15,801.62
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	43.91	
Long Term Provisions	89.90	
Total Non Current Liabilities		133.81
Current Liabilities		
Short Term Borrowings	9421.52	
Trade Payables	5139.29	
Other Current Liabilities	502.44	
Short Term Provisions	16.17	
Total Current Liabilities		15079.42
Net Asset Value		2916.71

- 4.3 Valuation of FCEL as on December 31, 2013 based on 26 weeks average price is as INR 94,280.62 Lacs. (Refer Annexure 1 for workings).
- 4.4 As per the draft Scheme of Amalgamation, no shares are proposed to be issued by FCEL in consideration of amalgamation of FAL with itself, as FAL is a wholly owned subsidiary of FCEL as on date.
- 4.5 In our opinion, the above is fair, since the shareholders of FCEL will continue to remain beneficial owners of FAL and FCEL in the same proportion as they held it prior to the merger.

Yours faithfully,

For M/s. **Manish P. Jain & Associates**

Chartered Accountants



CA Manish Jain

Partner

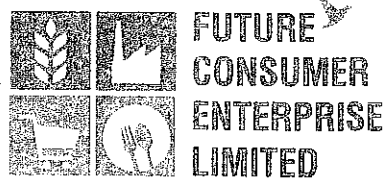
Membership No.: 113759

Place: Mumbai

Date: 04.02.2014

Annexure 1 – Valuation of FCEL

Particulars	Amount
Total Number of Outstanding shares of FCEL as on December 31, 2013 (A)	1,59,79,76,671
26 weeks Average price per share of FCEL(July 8, 2013 to December 31, 2013) (B)	5.9 per share
Value of FCEL in Lacs (A*B)	94,280.62



an integrated food & FMCG company

REPORT OF THE AUDIT COMMITTEE OF FUTURE CONSUMER ENTERPRISE LIMITED

Present

Mr. G. N. Bajpai
Mr. Anil Harish
Mr. Jagdish Shenoy
Ms. Vibha Rishi

On Special Invitation

Mr. K K Rathi - Executive Director & Chief Executive Officer
Mr. Gopal Bihani - Chief Finance Officer
Mr. Manoj Gagvani - Company Secretary & Head - Legal

1. Background

The Company has placed before the Audit Committee draft Scheme of Amalgamation ('the Scheme') of Future Agrovet Limited ('FAL') with Future Consumer Enterprise Limited ('the Company' or 'FCEL') and their respective shareholders for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/5/ 2013 dated February 4, 2013 ('Circular').

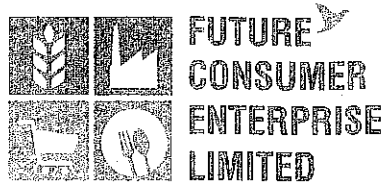
This report is made in order to comply with the requirements of the Circular after considering the following:

- a. Draft Scheme;
- b. Report dated February 4, 2014 issued by Manish P. Jain & Associates, Chartered Accountants;
- c. Fairness Opinion dated February 4, 2014 issued by Dalmia Securities Private Limited;
- d. Statutory Auditors Certificate dated February 4, 2014 issued by Deloitte Haskins & Sells, Chartered Accountants, in relation to the accounting treatment specified in the Scheme;
- e. Pre Scheme and Post Scheme Networth Certificate of the Company dated February 4, 2014 issued by S L & Company, Chartered Accountants;
- f. Audited financial statement of the Company and FAL for the year ending March 31, 2013, March 31, 2012 and March 31, 2011; and
- g. Limited Review Financial Statement of the Company for the period April 1, 2013 to December 31, 2013 and Audited Financial Statement of FAL for the period April 1, 2013 to December 31, 2013.



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an integrated food & FMCG company

2. Proposed Scheme

The Salient features of the draft Scheme are as under:

- a. The Scheme provides for merger of FAL into the Company.
- b. The accounting treatment to be followed for the proposed merger of FAL into the Company will be purchase method as per accounting standard 14 issued by ICAI.
- c. Proposed Appointed Date for the amalgamation will be April 1, 2014.
- d. FAL being wholly owned subsidiary of the Company, no shares to be issued pursuant to merger and the shares held by the Company in FAL will be cancelled.

3. Recommendation of the Audit Committee

The Audit Committee recommends the draft Scheme, inter-alia taking into consideration that there would not be any issuance of shares and consequently no valuation process is required, for favourable consideration by the Board of Directors of the Company, Stock Exchange(s) and SEBI.

DATE: February 4, 2014
PLACE: Mumbai

Mr. G. N. Bajpai
Chairman of the Audit Committee
Future Consumer Enterprise Limited



STRICTLY PRIVATE & CONFIDENTIAL

Date: February 04, 2014

<p>The Board of Directors, Future Consumer Enterprise Limited Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd, Jogeshwari (E), Mumbai-400060</p>	<p>The Board of Directors, Future Agrovet Limited Knowledge House, Shyamnagar, Off Jogeshwari Vikhroli Link Rd, Jogeshwari (E), Mumbai-400060</p>
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Subject: Fairness Opinion for the proposed amalgamation of Future Agrovet Limited ('FAL') with Future Consumer Enterprise Limited ('FCEL') pursuant to Scheme of Amalgamation in terms of Clause 24 (h) of the Listing Agreement.

Dear Sirs,

This has a reference to the engagement letter dated January 29, 2014 and further discussions we had with your officials regarding the Fairness Opinion Report in terms of Clause 24(h) of the Listing Agreement, for the proposed amalgamation of Future Agrovet Limited ('FAL') with Future Consumer Enterprise Limited ('FCEL') pursuant to Scheme of Amalgamation in terms of provisions of section 391 to 394 of the Companies Act, 1956 ('the Act') and other applicable provisions of the Act and/or Rules/Regulations made there under.

1. Background

(A) Future Consumer Enterprise Limited ("FCEL")

FCEL is a public limited company incorporated under the provisions of the Act on July 10, 1996 and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (E), Mumbai - 400060. It was originally incorporated as Subikshit Finance and Investments Private Limited and subsequently changed to Future Ventures India Private Limited to Future Ventures India Limited and the name was changed to Future Consumer Enterprise Limited in terms of approval granted by the Registrar of Companies, Maharashtra vide letter dated August 26, 2013.

It is a part of Future Group of companies and leads the integrated food strategy of Future Group. Its business consists of operating food and FMCG outlets and distribution in urban and areas with its own branded products and third party products. It also has investment in Salon and Spa businesses under the brand "Star" and "Sitara" and an edutainment company - Amar Chitra Katha Private Limited. FCEL is listed on BSE and NSE.

CERTIFIED TRUE COPY
FUTURE CONSUMER ENTERPRISE LIMITED
198 Jamshedji Tata Road Mumbai 400020 P 91 22 3027 2810-13 F 91 22 3027 2820 www.dalmiasec.com
SEBI Regn Nos NSE INB230645339 F&O INF230645339 Code 06453 • BSE INB010684638 F&O INF010684638 Code 530
EMPOWERING INVESTORS
NSEBI Initiative
MANOJ GARGANI
COMPANY SECRETARY & HEAD - LEGAL



Shareholding pattern of FCEL as on December 31, 2013 is as under:

Category	Shareholding of equity shares (%)
Promoters	39.08
Public	60.92

Summary Financials of FCEL for last three financial years on Standalone basis are:

Year ending March 31

Category	2011	2012	INR Lakh 2013
Total Revenue	1311.64	5,531.72	35,796.92
Total Expenditure including exceptional item	1406.89*	6,376.77*	36,901.91
Profit Before Tax	(95.25)	(845.05)	(1,104.99)
Profit / (Loss) After Tax	(67.25)	(1,366.99)	(1,144.81)

* Exceptional item of Rs. 448.03 lakhs and Rs. 3,100.30 lakhs during the year
 (Source: Annual reports)

(B) Future Agrovet Limited (FAL)

FAL is a public limited company incorporated under the provisions of the Act having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (E), Mumbai - 400 060. The company was originally incorporated as Pantaloon Food Product (India) Limited on April 13, 2005 and received its certificate for commencement of business on May 13, 2005. Subsequently the name of the Company was changed to Future Agrovet Limited with effect from November 19, 2008.

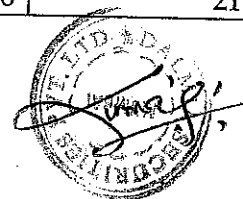
The shares of FAL are not listed on any stock exchange. It is a wholly owned subsidiary of FCEL and is engaged in the business of procuring, processing and supplying of agricultural commodities in loose and packaged form to various formats of Future Group and to other institutional and general trade clientele. It also operates in staples warehousing of grains and pulses.

Summary of Financials of FAL for last three financial years is as under:

Year ending March 31

Category	FY 11	FY12	INR Lakh FY13
Total Revenue	78,266.37	1,05,634.20	1,02,338.88
Total Expenditure	77,978.28	1,05,171.16	1,02,239.62
Profit Before Tax	288.09	463.04	99.26
Profit After Tax	209.55	317.06	21.57

(Source: Annual reports)



2. Scheme of Amalgamation

2.1. We have been informed that it is proposed to merge FAL into FCEL with effect from April 1, 2014 (hereinafter referred to as 'Appointed Date') pursuant to the Draft Scheme under sections 391-394 of the Act. The Draft Scheme would need the approval from the jurisdictional High Court and other regulatory authorities, etc, as applicable.

2.2. The Salient features of the Draft Scheme are as under:

- a. The Draft Scheme provides for merger of FAL into FCEL.
- b. All assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective fair values as may be determined by the Board of Directors. The difference, between the fair value of assets and the fair value of liabilities transferred to the Transferee Company, in case of excess, shall be credited to Capital Reserve Account and in case of shortfall, be debited to Goodwill Account.
- c. The accounting treatment to be followed for the proposed merger of FAL into FCEL will be purchase method as per Accounting Standard 14 issued by ICAI.
- d. FAL being wholly owned subsidiary of the FCEL, no shares to be issued pursuant to merger and the shares held by the FCEL in FAL will be cancelled.

3. Scope of Engagement

For the aforesaid purpose, the Board of FCEL has appointed us to issue a fairness opinion for the intended Scheme in terms of Clause 24(h) of the Listing Agreement as per the requirement of SEBI and Stock Exchange(s). This report is intended only for the sole use of FCEL and FAL and in connection with the proposed Scheme including for the purpose of obtaining judicial and regulatory approvals for the amalgamation.

4. Sources of Information:

We have relied on the following information in issuing this fairness opinion for the purpose of the amalgamation:

- 1) Draft Scheme of Amalgamation under section 391 to 394 of the Act with regard to the proposed amalgamation;
- 2) Copy of Memorandum of Association and Articles of Association of FCEL and FAL;
- 3) Shareholding pattern of FCEL and FAL as on December 31, 2013;
- 4) Audited financial statement of FCEL and FAL for the years ended March 31, 2013, March 31, 2012 and March 31, 2011.
- 5) Audited financial statements of FAL for the period April 1, 2013 to December 31, 2013
- 6) Valuation Report dated February 04, 2014 issued by M/s Manish P. Jain & Associates, Chartered Accountants, Mumbai; and

- 7) Such other information, documents, data, reports, discussions and verbal & written explanations from FCEL and FAL as well as advisors for merger/amalgamation to FCEL/FAL, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.

5. Key Facts From the Scheme

5.1. Based on the information provided by the management of the entities forming part of the amalgamation and after analyzing the Scheme, we understand that FAL will merge itself into FCEL without any consideration.

5.2. The proposed scheme, as and when it becomes effective, would consolidate the operations and have the following benefits: A) Simplification of Group Structure; B) Rationalization of administrative, marketing and operative costs; and C) Reduction in the multiplicity of regulatory compliances

6. Basis of Valuation:

(A) FCEL: FCEL is a listed company. Hence the valuation of FCEL has been based on the 26 weeks average price per share (July 3, 2013 to December 31, 2013), which is Rs.5.9/share.

(B) FAL: FAL is an unlisted company and the Net Asset value of FAL as on December 31, 2013 is Rs. 2,916.71 lakh.

(C) As per the scheme no shares are proposed to be issued by FCEL, to shareholders of FAL, in consideration of amalgamation of FAL with itself, FAL being a wholly owned subsidiary of FCEL as on date.

7. Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter.

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

7.1. In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.

- 7.2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 7.3. Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 7.4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of FCEL will trade following the announcement of the proposed Scheme or as to the financial performance of FCEL following the consummation of the proposed Scheme
- 7.5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 7.6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.
- 7.7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed merger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 7.8. This report has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFID/DIL/5/2013 dated 4 February 2013 and CER/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.



8. Opinion & Conclusions

With reference to above and based on information provided by the management of the entities forming part of the amalgamation and after analyzing the Draft Scheme, we understand that the present Scheme has been intended to merge FAL into FCEL without any consideration. In the above cases, valuation is not undertaken as this amalgamation is occurring within the Holding Company and wholly owned Subsidiary Company and it does not involve any movement of assets or liabilities outside the group. Upon the Scheme, becoming effective and with effect from the Appointed Date, the entire issued and paid up capital of FCEL fully held by FAL on the Effective Date shall be extinguished and shall be deemed to be extinguished and all such equity shares of FAL held by FCEL shall be cancelled and deemed to be cancelled without any further application, act or deed. There is also no change in the promoter and public shareholding pattern of the public listed Company i.e., FCEL. Accordingly, no valuation process is applicable to the Scheme.

In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a Merchant Banker hereby certify that, in our opinion the proposed Scheme of Amalgamation without any consideration is fair and reasonable since the shareholders of FCEL will continue to remain beneficial owners of FCEL in the same proportion as they held it prior to the Scheme.

For *Dalmia Securities Private Limited*



Jeyakumar S
 COO- Investment Banking



Place: Mumbai
 SEBI Reg. No.: INM000011476

I (a) Statement showing Shareholding Pattern

Name of the Company : FUTURE CONSUMER ENTERPRISE LIMITED (Formerly known as FUTURE VENTURES INDIA LIMITED)

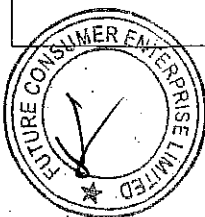
Scrip Code : BSE- 533400

Class of Security : Equity Shares

NSE - FCEL

Quarter ended : 31.12.2013

Partly Paid-up shares	No. of Partly Paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by promoter / promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the Company, assuming full conversion of the convertible securities
Held by promoter / promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the Company, assuming full conversion of warrants
Held by promoter / promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	1,59,79,76,671 equity shares of Rs. 6 each aggregating to Rs. 9,58,78,60,026/-		



Shareholding Pattern of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) for the quarter ended December 31, 2013

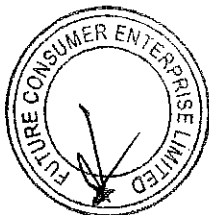
Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered*	
					As a percentage of (A+B)(I) (VI)	As a percentage of (A+B+C) (VII)	No of shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group[2]							
1	Indian							
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0.00	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	9	62,42,65,209	62,42,65,209	39.07	39.07	32,53,35,700	52.11
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0.00	0.00
(e)	Any Other (Relatives of promoters)	2	1,66,788	1,66,788	0.01	0.01	0.00	0.00
	Sub-Total (A)(1)	11	62,44,31,997	62,44,31,997	39.08	39.08	32,53,35,700	52.10
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)- (A)(1)+(A)(2)	11	62,44,31,997	62,44,31,997	39.08	39.08	32,53,35,700	52.10
(B)	Public shareholding[3]							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/ Banks	1	1,48,94,197	1,48,94,197	0.93	0.93	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	16	31,62,90,875	31,62,90,875	19.79	19.79	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(i)	Foreign Financial Institutions	0	0	0	0.00	0.00	0	0.00
(j)	Any Other	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	17	33,11,85,072	33,11,85,072	20.73	20.73	0	0.00



Shareholding Pattern of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) for the quarter ended December 31, 2013

2	Non-Institutions							
(a)	Bodies Corporate	377	46,76,36,968	46,76,36,968	29.26	29.26	0	0.00
(b)	Individuals				0.00	0.00	0	0.00
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	22,520	3,91,19,505	3,91,04,225	2.45	2.45	0	0.00
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1,082	12,58,81,096	12,17,06,096	7.88	7.88	0	0.00
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)				0.00	0.00	0	0.00
i	Non Resident Indians (Repatriable)	161	20,04,983	20,04,983	0.13	0.13	0	0.00
ii	Non Resident Indians (Non Repatriable)	62	3,57,928	3,57,928	0.02	0.02	0	0.00
iii	Clearing members	81	61,28,713	61,28,713	0.38	0.38	0	0.00
iv	Directors / Relatives	5	5,74,445	5,74,445	0.04	0.04	0	0.00
v	H U F	16	6,55,964	6,45,964	0.04	0.04	0	0.00
	Sub-Total (B)(2)	24,304	64,23,59,602	63,81,39,322	40.20	40.20	0	0.00
	Total Public Shareholding (B)- (B)(1)+(B)(2)	24,321	97,35,44,674	96,93,44,394	60.92	60.92	0	0.00
	TOTAL (A)+(B)	24,332	1,59,79,76,671	1,59,37,76,391	100.00	100.00	32,53,35,700	20.36
(C)	Shares held by Custodians and against which Depository Receipts have been issued				0.00	0.00		
	1. Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
	2. Public	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	24,332	1,59,79,76,671	1,59,37,76,391	100.00	100.00	32,53,35,700	20.36

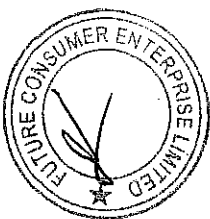
* Information on encumbered shares is compiled as per the meaning assigned to the term 'encumbrance' under the SEBI (SAST) Regulations, 2011.

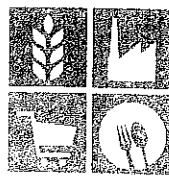


Shareholding Pattern of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) for the quarter ended December 31, 2013

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"											
Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares*			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Future Capital Investment Private Ltd	8,41,06,029	5.26	5,76,57,269	68.55	3.61		0.00	0.00	-	5.26
2	Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	15,00,00,000	9.39	-	0	0	-	-	-	-	9.39
3	PIL Industries Ltd	12,21,89,273	7.65	-	-	-	-	-	-	-	7.65
4	Central Departmental Stores Pvt Ltd	9,48,38,700	6.00	9,58,38,700	100.00	6.00					6.00
5	Future Corporate Resources Limited	1,00,20,000	0.63	1,00,20,000	100.00	0.63					0.63
6	Gargi Developers Private Limited	12,87,38,866	8.06	12,84,59,370	99.78	8.04					8.06
7	RYKA Commercial Ventures Private Limited	3,33,72,341	2.09	3,33,60,341	99.96	2.09					2.09
8	Avni Kishorkumar Biyani	99,619	0.01	-	-	0.00					0.01
9	Aasthi Kishore Biyani	67,169	0.00	-	-	0.00					0.00
	TOTAL	62,44,31,997	39.08	32,53,35,700	52.10	20.36					39.08
* Information on encumbered shares is compiled as per the meaning assigned to the term 'encumbrance' under the SEBI (SAST) Regulations, 2011.											

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares								
Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities held	
1	Arissig Partners (Asia) PTE Ltd A/C Arissig India Fund Limited	15,20,43,000	9.51	0	0.00	0	0.00	9.51
2	BNP Paribas Arbitrage	14,07,53,144	8.81	0	0.00	0	0.00	8.81
3	Bennett, Coleman And Company Limited	12,16,41,615	7.61	0	0.00	0	0.00	7.61
4	Aaradhak Commercial Ventures Private	8,15,48,254	5.10	0	0.00	0	0.00	5.10
5	Mohini Resources Private Limited	7,55,28,254	4.73	0	0.00	0	0.00	4.73
6	Blessings Mercantile Private Limited	4,04,06,455	2.53	0	0.00	0	0.00	2.53
7	Juhis Idea Mercantile Private Limited	4,02,25,605	2.52	0	0.00	0	0.00	2.52
8	Santosh Desai	2,52,56,619	1.58	0	0.00	0	0.00	1.58
TOTAL		67,74,02,947	42.39	0	0.00	0	0.00	42.39





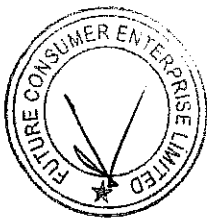
**FUTURE
CONSUMER
ENTERPRISE
LIMITED**

an integrated food & FMCG company

3)

Shareholding Pattern of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) for the quarter ended December 31, 2013

Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category (i)(c)(ii) "Public" and holding more than 5% of the total number of shares of the Company						
Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (i)(a) above)	Details of warrants		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	
1	Arissig Partners (Asia) PTE Ltd A/C Arissig India Fund Limited	15,20,43,000	9.51	0	0.00	9.51
2	BNP Paribas Arbitrage	14,07,53,144	8.81	0	0.00	8.81
3	BENNETT, COLEMAN AND COMPANY LIMITED	12,16,41,615	7.61	0	0.00	7.61
4	Aaradhak Commercial Ventures Private Limited	8,15,48,254	5.10	0	0.00	5.10
TOTAL		49,59,86,013	31.04			31.04



-5-



Shareholding Pattern of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) for the quarter ended December 31, 2013

(I)(d) Statement showing details of locked-in shares

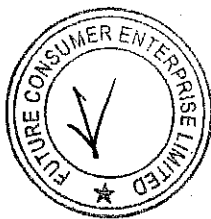
Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Promoter /Promoter Group/Public
1	FUTURE CAPITAL INVESTMENT PRIVATE LIMITED	4,32,48,740	2.71	Promoter
2	FUTURE RETAIL LIMITED (FORMERLY PANTALOON RETAIL INDIA LTD)	15,00,00,000	9.39	Promoter
3	FIL INDUSTRIES LIMITED	12,20,00,000	7.63	Promoter
	TOTAL	31,52,48,740	19.73	

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1	N.A.	N.A.	N.A.	N.A.
	TOTAL			

Statement showing holding of Depository Receipts (DRs), where underlying shares held by promoter/promoter group are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1	N.A.	N.A.	N.A.	N.A.
	TOTAL			



Shareholding Pattern of Future Agroviet Limited as on 31st December, 2013 is as under:

Sr No.	Name of the Shareholder	No of Shares held	% to paid up share capital
1	Future Consumer Enterprise Limited	3,64,99,994	100.00
2	Future Consumer Enterprise Limited jointly with Mr. Sanjay Rathi	1	0.00
3	Future Consumer Enterprise Limited jointly with Mr. Samir Kedia	1	0.00
4	Future Consumer Enterprise Limited jointly with Mr. Manoj Gagvani	1	0.00
5	Future Consumer Enterprise Limited jointly with Mr. Gopal Bihani	1	0.00
6	Future Consumer Enterprise Limited jointly with Ms. Neeta Singh	1	0.00
7	Future Consumer Enterprise Limited jointly with Mr. Krishan Kant Rathi	1	0.00
		3,65,00,000	100.00

For Future Agroviet Limited

Director

mentor.entrepreneurs



ANNUAL REPORT 2012 - 13



It is a movement that we have begun in the literal as well as symbolic sense.

It is a “**movement**” to graduate the Indian consumer from consuming commodity foods to consuming processed and/or branded foods that offer distinct value and benefits. It is a movement that we are “leading” with the set up of a large food processing hub, creation of multiple brands in the food category, and the setting up of distribution chains both in the rural and the urban areas. It will give us the unprecedented ability to source raw foods, process them at different centres, brand them, package them and distribute them through our own networks in rural and urban India as well as through Big Bazaar, franchised outlets and third party retail outlets. It is “**food movement**” in the literal sense as we accompany foods from the doorstep of the producer, along the journey of processing, branding, packaging and distribution right up to the retail destination.

We are leading the “movement”; we are leaders ushering in the change.

Contents

3	Corporate Information
14	Directors' Report
19	Management Discussion and Analysis
23	Corporate Governance Report
31	Auditors' Report
34	Balance Sheet
35	Statement of Profit and Loss
36	Cash Flow Statement
38	Significant Accounting Policies and Notes to Accounts
65	Auditors' Report on Consolidated Accounts
66	Consolidated Balance Sheet
67	Consolidated Statement of Profit and Loss
68	Consolidated Cash Flow Statement
70	Significant Accounting Policies and Notes to Consolidated Accounts
103	Financial Information on Subsidiary Companies

Corporate Information

BOARD OF DIRECTORS

CHAIRMAN

Mr. G.N. Bajpai

VICE CHAIRMAN

Mr. Kishore Biyani

*(Designated as Vice Chairman
w.e.f. 31st May, 2013)*

DIRECTORS

Mr. Anil Harish

Mr. B. Anand

Mr. Jagdish Shenoy

Mr. Gaurav Burman

Ms. Vibha Rishi

Mr. Frederic de Mevius

*(Appointed as an Additional Director
w.e.f 9th November, 2012)*

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Krishan Kant Rathi

*(Appointed as an Executive Director
w.e.f 31st May, 2013)*

COMPANY SECRETARY & HEAD-LEGAL

Mr. Manoj Gagvani

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells

BANKERS

YES Bank Limited

HDFC Bank Limited

Allahabad Bank

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400 060.

Tel No.: +91 22 3084 1300

Fax No.: +91 22 6644 2201

CORPORATE OFFICE

247 Park, Tower 'C', 7th Floor

LBS Marg, Vikhroli (West),

Mumbai - 400 083

Tel No.: +91 22 6199 4070

Fax No.: +91 22 6199 5391

Email ID: investor.care@futureventures.in

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078

Tel No.: +91 22 2594 6970

Fax No.: +91 22 2594 6969

Vice Chairman's Message

Dear Stakeholders

I am pleased to share with you the Annual Report of your Company for the Financial Year 2012-13. It has been a transformational year for your Company. Based on your advice, insights and approval, we have realigned your Company from an investing-cum-holding company to an operating company focusing purely on the fast growing and rapidly evolving food consumption and fast moving consumer goods segment in India. This realignment brings together a vertically integrated food and FMCG business that spans from sourcing and processing of agri-products to fast growing brands and packaged products to modern distribution in rural and urban India. In addition, as on record date of 24th June, 2013, shareholders of Future Ventures India Limited were also issued shares in Future Lifestyle Fashions Limited – a company wherein all the lifestyle fashion business of Future Group has been consolidated.

Food and grocery is the single largest consumption category accounting for 60% of the USD 518 billion retail consumption market in India, according to the Deloitte Indian Retail Market report. With growth, increase in media penetration and rising household incomes, Indian consumers are moving from buying commodities towards value-added, branded products that offer consistency, quality and reliability. India is the second largest producer of horticultural crops and ranks among the top 5 producers of agricultural crops. Yet, food processing levels in India are abysmally low - ranging from 2.2% in fruits and vegetables to around 35% in milk production. Across all segments, it is 7% compared to 48% in USA, 36% in China and 30% even in Thailand.

Even though we have large companies and brands in the home and personal care segment, the number of large, national brands in the food segment is somewhat limited. Except for certain categories like dairy, chocolates and confectionery, biscuits and beverages, the availability of value-added, branded food products remain few and far between. However, the consumer demand for these is growing, specially fuelled by modern retail that offers the space for brands to develop and choice for consumers to choose multiple variants and brands.

Future Ventures is focusing on capturing this demand through an integrated strategy with presence across the value chain – from sourcing and processing, to branding and distribution in rural and urban markets.

The Company already has developed a strong portfolio of brands and products that now cater to over 60 product categories. In most of these categories, there are few national brands and we are using insights weaned from our extensive retail operations to drive innovation and growth for these brands. From offering cups along with the packaging for soups – because that's how Indians like having soup – to instant poha packs from Tasty Treat, we are tapping to Indian habits, customs and rituals. Ektaa, the company's ethnic food brand, unlike other rice brands doesn't stop at offering only packaged Basmati rice. It also offers, Red Matta rice for the Malayali, Ambe Mohar for the Maharashtrian, Gobindo Bhog for Bengalis and Sona Masoori for Andhraites. There are many such brands and innovations we have already tried and tested successfully with our customers.

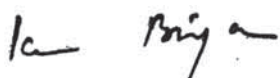
But brands without distribution is a cart without wheels.

Your Company now has its own specialized distribution network for urban and rural areas. KB's Fairprice located in close proximity to customers, is tapping into the vast opportunity for convenience stores in crowded Indian cities. The Company is focusing on a cluster-based approach for expansion only in Delhi, Mumbai and Bangalore. An asset-light, low-cost, scalable model is best suited to bring your company's brands closer to the doorstep of urban customers. For the rural market, the Company is focusing on a cash and carry format coupled with a franchise network that aims to increase penetration for the brands at a low cost. In Kalol in Gujarat and in Barnala in Punjab, the Company is partnering with rural retailers to bring home consumer brands into the houses of India's increasingly richer rural households. Both these chains have a large potential to scale up within a short time frame. Both are asset-light and yet have the potential to vastly increase brand penetration for the company's brands and grow in their own right. In addition the Company's brands are being sold through Big Bazaar and Food Bazaar. All put together the brands already attract the eyeballs of over 260 million customers who come into the food retailing formats of Future Group.

But building brands and distribution isn't enough.

Customers demand consistency, quality and continuous improvement and innovation every time they experience our brands. Along with the Ministry of Food Processing Industries, we have embarked in creating one of India's leading food park. Spread across a parcel of land that admeasures 110 acres, the food park being constructed in Tumkur is located on the NH4 that connects Chennai with Mumbai and is 100 kilometers from Bangalore. The area in its 300 km to 400 km radius harbors abundant produce of ragi, sunflower, coconut, gherkins, groundnut, maize, jowar, spices, sugarcane and milk. Tumkur itself has over 100 rice mills, along with other food processing industries. The Company is setting up sourcing, storage, primary and secondary processing units for a large amount of agri-produce that will supply raw materials to the factories of business partners located within the park. We are exploring partnerships with large foreign and domestic food companies to set up their manufacturing activities within the part. The products will then feed into the company's brands and distribution as well as that of the business partners. It is a mammoth exercise and can bring in a transformational change in the food processing industry in India. We expect the food park to be partially functional by mid-2014.

It is just the beginning of an ambitious plan to create one of the country's leading food and FMCG companies that taps into the demand for better, value-added products from 1.2 billion Indians. We have made some progress, laid the foundation, but there is a long journey ahead. It may take more than a few years to truly realize the potential that each of the businesses of the company harbors. And during this time what we will need most is your continued support, encouragement and feedback on making each of these happen. Thank you for your faith and confidence in the management team.

Rewrite Rules, Retain Values


Kishore Biyani



Food processing levels in India are abysmally low - ranging from **2.2%** in fruits and vegetables to around **35%** in milk production. Across all segments, it is **7%** compared to **48%** in USA, **36%** in China and **30%** even in Thailand

It is just the beginning of an ambitious plan to create one of the country's leading food companies that taps into the demand for better, value-added food products from **1.2** billion Indians.

FMCG Brands

Future Ventures' FMCG brands are built with deep insights gathered from millions of customers, coupled with innovation in product development and packaging. More than 40 professionals with extensive experience in product development and consumer goods sector work with 70 reputed vendors across product categories. The brands offer products in 60 categories and offer over 400 SKUs and benefit from superior in-store branding and display. Being distributed exclusively through modern retail chains, these brands therefore gain the maximum opportunity for growth and in building strong franchise with aspirational consumers.



Fresh & Pure brand provides nature in its original form and the range of products reintroduces the natural intactness of food. Developed and packaged on the premise of "freshness you can see"; the range includes products where the 'purity' quotient of the ingredients is considered critical in the home maker's mind. The brand has launched cow ghee in a transparent pack emphasizing the promise of Fresh & Pure. With the increased demand for branded products, Fresh & Pure expanded its portfolio to other products including edible oils, flours (atta), spices, packaged honey, packaged tea, lemon juice concentrate and other categories. Despite high penetration, categories like edible oils, spices and flours have witnessed strong growth due to shift from unbranded / loose to packaged form. The Fresh & Pure brand is preferred by its customers due to better quality, high food safety standards, international look and feel of products, customized packaging.



Growing middle class, urbanisation coupled with young population and increasing media penetration has led to the surge in demand of packaged food, snacks and savouries. Tasty Treat is a brand of snacking products that endorses submission to the craving for food that appeals to the palette. The brand advocates guilt free indulgence in food. The Tasty Treat range includes a wide range of mouth-watering snacks and accompaniments that appeal to the taste buds. Chips, Indian savouries, cookies, ketchup, jam, pickles and corn flakes are some of the popular products in the range. The brand focuses on inducting more consumers through trials and extensive sampling which translates into increased sales for the brand. The brands have always launched products keeping 'Indianness' in mind through consumer insights. The launch of Tasty Treat soups with a mug and Tasty Treat cornflakes with a bowl are some of the



success stories in past. Tasty Treat Cookies, Juices and Jams have 29%-38% share of sales with Future Group stores while the Tasty Treat Chinese Noodles enjoy close to 50% share within Future Group stores and compete at equal terms with national brands.

The brand also entered into a co-branding deal with the world largest kids' brands Disney & Marvel. The idea was to increase consumption in an untapped kids' category through popular cartoon characters. The product range includes breakfast cereals, jam, kids' cookies, instant pasta, multigrain noodles, wafer biscuit, tissues, hand wash, baby wipes and birthday party products. During the year, campaigns were launched to showcase the entire range of co-branded Disney products targeting both mothers and kids and hence increase consumption and brand salience.

ektaa[™]
delicious *india*



Launched in 2010 as a unique effort to provide regional food in packaged form, 'Ektaa' offers an unmatched range of authentic, good quality, popular and affordable native Indian foods. The brand focuses on capturing the huge opportunity in the regional food categories. Procured from the best growing areas, Ektaa straddles all regions across India, appealing to tradition and authenticity as a powerful point of connection with consumers.

The regional foods across categories is largely catered by the unorganised sector, Ektaa focuses on identifying these authentic native food categories and sell under branded labels. For example, Ektaa launched five variants of rice -- Red Matta from Kerala, Sona Masoori from Andhra Pradesh, Govind Bhog from West Bengal and Basmati from Punjab. The assortment increases the category and brand penetration amongst non branded foods consumers and increases frequency amongst the light users.

The product portfolio includes packaged regional rice, regional pulses, kasundi (Indian mustard), regional blended spices, community flours, Indian savouries, Kolhapur gur (Jaggery), and regional pickle. Pulses sold through the Ektaa brand have 17% share within Future Group stores.





Premium Harvest offers a broad range of the finest commodities in the country. The sourcing & packing is done centrally ensuring best quality, consistency and authenticity for the entire range. The brand focuses on consumers that are willing to pay premium prices for superior quality products. The product portfolio includes dals, pulses, cereals, spices and oilseeds. In India, these products are largely available loose / unpacked at general trade stores. However, with the increased presence of modern trade, consumers are shifting from unbranded to branded products in these categories. With rising income levels, consumers demonstrate higher propensity to trade up, such as, buy higher quality, packaged, branded and more expensive food and grocery products. Premium Harvest brand caters to the consumers who are moving up the value chain of commodities and are demanding higher quality branded products.



Clean Mate is a brand within the home care category offering consumers “complete cleaning solutions” and disproportionate value through bundling of cleaning aids. The comprehensive portfolio is present in all domains related to household cleaning including toilet & household cleaners, utensil cleaners, kitchen aides, detergent powder & bars. The homecare category has showcased steady growth driven by the increasing acceptance of lifestyle products such as liquid dish washing, and laundry care. The Clean Mate brand caters to the mass segment in urban markets that are price sensitive and lesser brand conscious. The brand focuses on sub-categories which have low penetration and high growth such as toilet cleaners and utensil cleaners. Awareness campaigns are organised at stores to generate awareness about the use and benefits of the products which facilitates consumers adopting the habit of using these products. Through in-store campaigns the brand emphasizes on how the customers can bank upon Clean Mate for sanitation and spotless cleaning.



CleanMate competes favorably with every national and multinational brands available in India at Future Group retail stores with its floor cleaners enjoying 68% share, toilet cleaners almost 56% share and utensil bars enjoying 29% share in total sales.



The CareMate brand focuses on the personal hygiene space through product introductions in relevant sub categories. The personal care category is driven mainly by new consumers, who witness a rise in their disposable incomes year-on-year, and show greater interest in self-grooming. To leverage the strong purchasing power of this consumer base, CareMate brand has introduced a plethora of products with new ingredients and innovative pack formats to stimulate interest and increase the desire to try out such products. The broad range of products includes wipes, liquid hand soap, sanitary pads, diapers, tissues & foil. Consumer concentration has shifted from traditional offering to new generational ones; for instance, demand for soap cakes has shifted to liquid soaps & hand washes.

CareMate tissues have 67% share, handwash 16% share and aluminum foils 35% share of sales within its categories in Future Group stores.



Sach
BY SACHIN TENDULKAR

In 2010, Sach was co-created in association with an iconic figure Sachin Tendulkar. The brand Sach builds an emotional connect with consumers, inspires the youth and creates a history like Sachin always does. Sach encompasses a range of products that reflect Sachin's strengths & values. Sach was the only brand to associate with ICC & exclusive world cup merchandise and limited edition packs of soap & toothpaste were created for this event. The brand presence in key categories includes premium liquid hand soaps, toilet soaps, oral care and kids' fashion.

The recently launched Sach handwash was voted Product of the Year by Consumer Survey of Product Innovation 2013.



Distribution

While the Company's brands are retailed through the Big Bazaar and Food Bazaar network, the Company is also investing in growing its own distribution network. KB's Fairprice focuses on urban distribution in Delhi, Bangalore and Mumbai along with the recently acquired chain, Big Apple. Aadhaar focuses on rural distribution primarily in the Gujarat and Punjab and Haryana regions. These food distribution chains provide tremendous potential for growth, reaching out to customers who have so far remained untouched by modern retail.



During the financial year, the Company acquired convenience store chain KB's Fairprice from Future Value Retail Limited and Big Apple, a Delhi-based convenience store format. The Company believes that much like in other emerging and developed markets in Asia, convenience stores have a huge potential to grow in crowded Indian cities where real estate shortage is making it difficult to expand large-format retail chains.

There are currently around 119 stores in Delhi, 43 in Mumbai and 31 in Bangalore and the Company intends to focus only in these cities. It has adopted a cluster-based approach in setting up these stores and operating a tightly-integrated network of stores helps in lower supply chain and logistics costs and a faster opportunity to build the brand and customer franchise in these areas. Stores are typically located in close proximity of customers in easily accessible locations like petrol stations, neighborhood or residential markets, outside suburban railway stations or metro stations.

Designed as low-frills stores, the business model hinges on low operating as well as low capex costs and high turns for the goods sold within the stores. This allows for profitable operations, faster scaling up and competing at equal terms with kirana or neighborhood stores.



Customers benefit from lower prices and at the same time access to a much larger choice of products or SKUs compared to traditional neighborhood stores.

During the year a number of store-wide projects were initiated in order to improve store level service efficiency through third-party stock audits, higher fill rates and on-shelf availability, assortment intensity, customize promotions, home delivery in certain locations, advanced Point-of-Sales (POS), strong Standard Operating Process (SOP) compliance, audit and mystery shopping. While the share of private brands is being gradually increased, better vendor negotiation and direct delivery to distribution centers (DC) is delivering higher margins. Store managers and business managers in each cluster are being encouraged to become more entrepreneurial in their approach.

The Company is also exploring a rapid expansion through a franchisee network that co-opts local neighbourhood store owners and aims to scale it up to a 1000-store network in 3 cities in the near future. The company believes that these stores not only huge potential to grow exponentially, but also emerge as a strong distribution network for the Company's FMCG brands.



2 cash and carry stores
27 franchisee stores

The Company's rural distribution network, Aadhaar, operated in partnership with the Godrej Group, crossed the ₹100-crore sales mark during the year. The Company is focusing on the two regions with high rural income, Gujarat and Punjab & Haryana, for the growth of this network. There are currently 16 rural retail stores in the two regions which continue to offer value for money products to rural and semi-urban households.

The Company is however focusing on expanding the cash and carry stores (CNC). There are currently one store each in Kalol in Gujarat and Barnala in Punjab. These 10,000 square feet stores offer around 1000 SKUs in staples, food and grocery, consumer goods and general merchandise and serve small rural retailers in the 50 kilometers radius. The chain is also partnering with many of these retailers through a franchise model wherein the retailer gets the technical and

brand know-how to convert their traditional stores into self-service modern retail outlets. These retailers also have access to source a much wider range of merchandise from Aadhaar CNC stores. There are currently around 30 Aadhaar franchisee owners and there is a potential to increase this to 100 franchisee owners for every cash and carry store. The Company is planning to open more cash and carry stores in Gujarat in FY 2014. Aadhaar CNC also acts as feeder, distributor for the Company's brands and other branded products into rural markets

Growing rural consumption is among the few entirely untapped opportunities in India. While the franchisee route offers high scalability, the Aadhaar network helps the company's brands to increase brand penetration and tap into rural consumption at a very low distribution cost in a highly dispersed rural market.



Manufacturing



Preservation

Preserve fruits and vegetables:

- Pre Cooler
- IQF
- Blast Freezing
- Spiral Freezing
- Ambient & Refrigerated Logistics

Storage

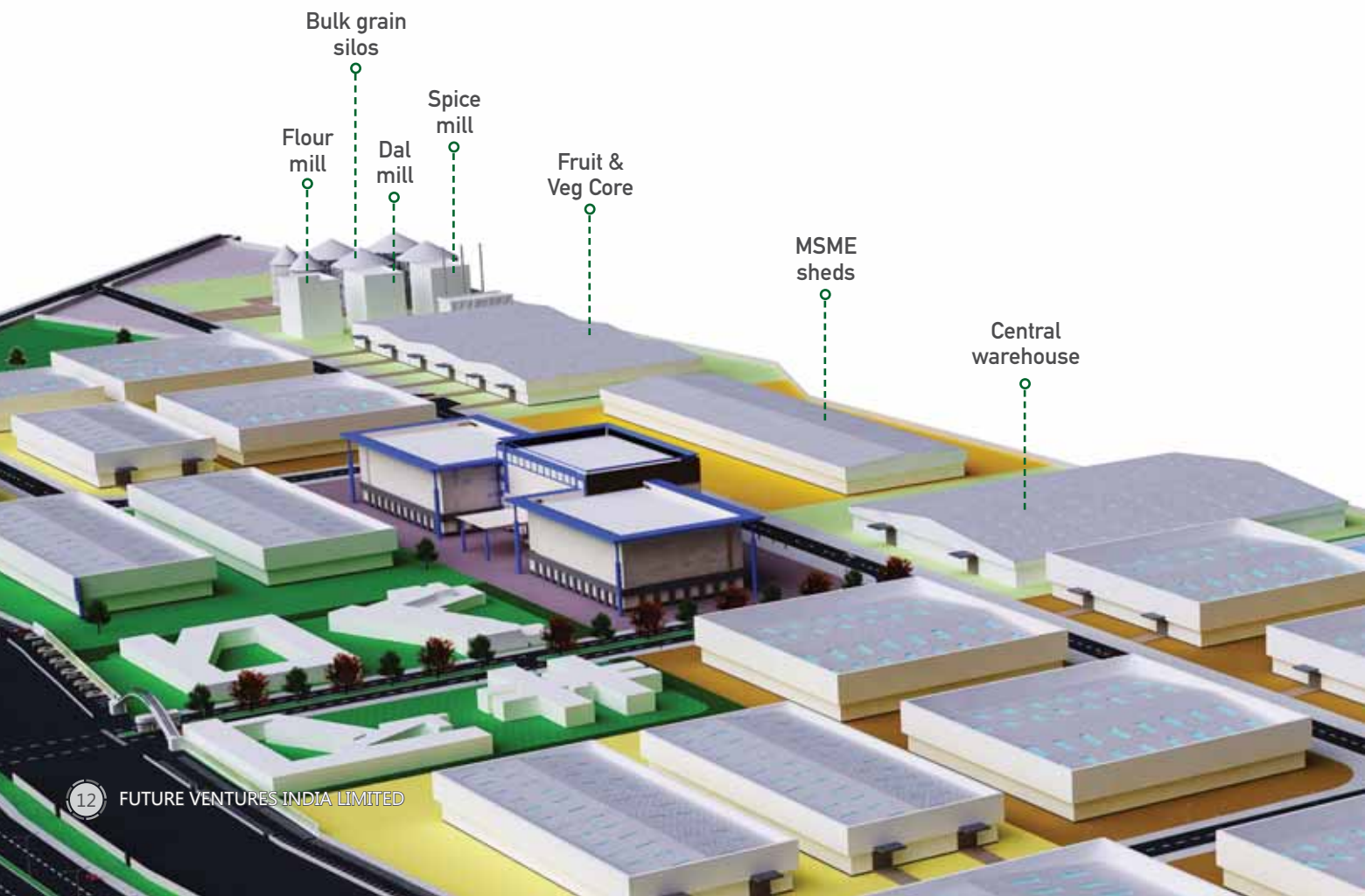
Store grains & spices:

- Cold Storage
- Freezer
- Warehouse
- Multi Grain Silos

Value Addition

Add higher value:

- Value Addition
- Packhouse
- Pulping and Aseptic Packing
- Canning & Retort packing
- Ready to Eat



India Food Park



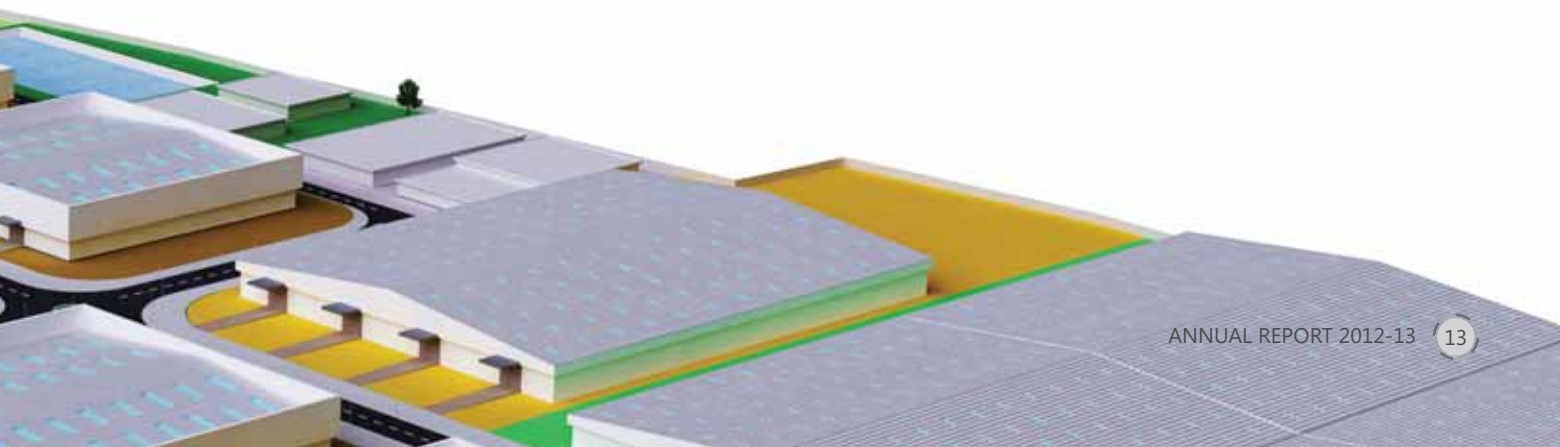
Increasing consumption, growing nutrition requirements, increased emphasis on food security and quality standards are changing the Indian landscape of food. Rationalisation and control of costs of production of food through innovation, processing and wastage-reduction are important measures for a wellmanaged food value chain. India Food Park captures the essence of changing trends and is all set to play a significant role in making India the global food factory.

The integrated food park being an initiative of your Company – and expected to be operational before mid-2014, is set to bring a transformational change in the food processing industry in India and provide a robust support and backbone to the company's FMCG business. Set up in partnership with the Ministry of Food Processing Industries, Government of India and the state government of Karnataka, the food park is spread across a plot admeasuring 110 acres. It is in the process of setting up integrated facilities for sourcing, storage, processing, packaging and distribution of food products.

The 300 km to 400 km radius of the park harbors abundant grains such as paddy, raagi, maize and millet, almost 4.9 million tons of milk, plantation crops like coconut, groundnut, tamarind, areca nut and sunflower and fruits and vegetables like onion, potato, tomato, brinjal, gherkins, cucumber, ginger, melon, mango, grapes, banana and pomegranates, among others. The park provides comprehensive facilities for food processing across the stages of Sourcing, Processing and Distribution.

Within the park, grain silos and raw material warehouses that can store over 60,000 metric tons and finished goods warehouse of 100,000 square feet are being set up, along with processing facilities for 150 tons per day for flour, 5 tons per day for spices, 40 tons per day for dal. The facility will also have its own integrated fruit and vegetable handling facilities with processing and storage through fruit ripening units, 650 MT cold rooms, 1000 MT freezer rooms, temperature controlled packing halls, pulping line with a 6 MT per hour pulp output, staple packhouse, truck terminals, 11 KV power generation, water storage and treatment plants, rain water harvesting facilities, boilers and a multi-product cleaning, sorting and packing plant.

After the primary raw materials are produced at the food park, these can be used by food manufacturers' plants within the park set up in 50 acres of developed leasable land and 30,000 square meters of plug-n-play multi storied MSME building within the park. Common facilities for testing, quality check, research and accommodation are also being provided within the park. The company is in talks with multiple domestic and foreign food manufacturers for partnerships and joint ventures operations to be set up within the India Food Park.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report and the Audited Accounts of Future Ventures India Limited ("Company"), for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company for 2012-13 and 2011-12 is given below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Total Income	35,796.92	5,531.72	96,018.45	86,041.10
Profit / (Loss) before Tax & Exceptional Items	(1,104.99)	2,255.25	(7,173.08)	(2,335.73)
Less: Exceptional Items	-	3,100.30	-	3,322.77
Profit / (Loss) before Tax	(1,104.99)	(845.05)	(7,173.08)	(5,658.50)
Profit / (Loss) After Tax	(1,144.81)	(1,366.99)	(7,655.52)	(6,538.72)
Profit / (Loss) After Share of Associates and Minority Interest		-	(5,571.55)	(4,176.64)

The financials for the year under review are not comparable with the previous year as underlying business has undergone substantial transformation during the year.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

During the year under review, the Company has filed the following two Composite Scheme(s) of Arrangement and Amalgamation with the Hon'ble High Court having appropriate jurisdiction:

- a) Composite Scheme of Arrangement and Amalgamation between the Company and Indus-League Clothing Limited and Lee Cooper (India) Limited and Pantaloon Retail (India) Limited (now known as Future Retail Limited) and Future Lifestyle Fashions Limited and their respective shareholders and creditors ("**Fashion Scheme**"); and
- b) Composite Scheme of Arrangement and Amalgamation between the Company and Future Consumer Enterprises Limited and Express Retail Services Private Limited and Think Fresh International Private Limited and their respective shareholders and creditors ("**Food Scheme**").

The Fashion Scheme and the Food Scheme, except the part comprising of transfer of entire business and undertakings of Express Retail Services Private Limited and that of Think Fresh International Private Limited in the Company, as a going concern ("**Remaining Part**"), has been approved by the Hon'ble High Court, at Bombay vide its order dated 10th May, 2013. For the Remaining Part of the Food Scheme, filed before the Hon'ble High Court at Delhi, the matter is scheduled for hearing on 25th July, 2013.

In respect of the schemes approved by the Hon'ble High Court at Bombay, the Company has made necessary filings with the Registrar of Companies, Mumbai and the same have been made effective from the respective Appointed Dates mentioned therein.

As a consequence to the above mentioned schemes coming into effect, the Company is now engaged in operating Food and FMCG outlets and distribution in Urban and Rural areas with its own branded products in addition to the third party brands and products. The Company is accordingly seeking de-registration as a Non-Banking Financial Company with the Reserve Bank of India. Also, the face value of equity shares of the Company shall be reduced from ₹10/- per equity share to ₹ 6/- per equity share from the Record date i.e. 24th June, 2013.

FUTURE OUTLOOK

With consolidation of business, the Company will predominantly be focussed on Food and FMCG activities which constitutes a significant portion of the household expenditure. The Company expects the domestic market for Food and FMCG to continue expanding, despite pressure on overall economic growth. The Company is positioned for the anticipated growth in business with an appropriate structure, strategy and capabilities. The Company's initiative in integrated food play by combining its Brands, Distribution both urban and rural and Food processing capabilities, into formation of Food park, will capture the entire value chain of Food processing from Farm to Fork.

The Company is now part of Food sector which forms essential part of consumption. The increasing propensity to consume Food in its varied form due to rising income levels, augers well for a stable growth of business. The increasing urbanisation is fueling the demand for better environment for shopping of essentials due to which the Company foresees rapid growth in opportunities for both urban and rural Distribution formats.

The Company believes that the change in approach will result in faster and better value creation for its Stakeholders.

INITIAL PUBLIC OFFER ("IPO")

In terms of the provisions of Clause 5A of the Listing Agreement, details about unclaimed shares in suspense account as on 31st March, 2013 is as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 st April, 2012	7	34,800
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 st March, 2013	3	9,600
Number of shareholders to whom shares were transferred from suspense account upto 31 st March, 2013	3	9,600
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 st March, 2013	4	25,200

The Company has opened separate suspense account with Depository Participant of National Securities Depository Limited and Central Depository Services Limited and has credited the said unclaimed shares to the suspense accounts in compliance with requirements under the Listing Agreement.

The voting rights in respect of shares maintained under the suspense accounts shall remain frozen till the rightful owner(s) of such shares lodge their claims for the same.

DIVIDEND

Your Directors have not recommended any dividend on equity shares for the financial year under review due to non availability of profit for appropriation.

SUBSIDIARY COMPANIES

As on 31st March, 2013, your Company had following subsidiaries:

- i) Aadhaar Wholesale Trading and Distribution Limited (formerly Aadhaar Retailing Limited)
- ii) Future Consumer Enterprises Limited
- iii) Future Consumer Products Limited
- iv) Amar Chitra Katha Private Limited
- v) ACK Edutainment Limited
- vi) ACK Media Direct Private Limited
- vii) IBH Books & Magazines Distributors Private Limited
- viii) Ideas Box Entertainment Limited
- ix) Karadi Tales Company Private Limited
- x) ACK Eaglemoss Collectibles Publishing Private Limited
- xi) Star and Sitara Wellness Private Limited
- xii) Express Retail Services Private Limited
- xiii) Think Fresh International Private Limited

Pursuant to the general circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs ("MCA"), general exemption has been granted by MCA, subject to conditions prescribed therein, in terms of which copies of balance sheet, the profit and loss account, report of the Board of Directors and that of the Auditors in respect of the subsidiaries as at 31st March, 2013 have not been attached to the Balance Sheet of your Company.

The aforesaid documents in respect of the respective subsidiary companies can be made available upon a request to the Company from the Shareholders interested in obtaining the same. The documents in respect of aforesaid subsidiary

companies are also available for inspection at the registered office of the Company on any working day during business hours. As directed by MCA, the financial data of subsidiaries has been furnished under 'Financial Information on Subsidiary Companies' forming part of this Annual Report.

RBI REGULATIONS

During the year under review, your Company is in compliance with the applicable regulations prescribed by the Reserve Bank of India ("RBI"). Upon the Composite Scheme of Arrangement and Amalgamation becoming effective from 29th May, 2013, the Company ceases to be a Non Deposit Accepting or Holding Systemically Important Non-Banking Finance Company.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the year under review and shall not accept any deposits without obtaining necessary approvals as may be required.

DIRECTORS

Mr. Frederic de Mevius and Mr. Krishan Kant Rathie have been appointed as Additional Director of the Company with effect from 9th November, 2012 and 31st May, 2013 respectively. In accordance with the provisions of Section 260 of the Companies Act, 1956, the Additional Directors so appointed shall hold office only upto the date of the forthcoming Annual General Meeting. In accordance with the provisions of the Section 257 of the Companies Act, 1956, the Company has received individual notice from Member(s) of the Company proposing candidature of Mr. Frederic de Mevius and Mr. Krishan Kant Rathie for office of Director.

Mr. Kishore Biyani has stepped down as the Managing Director of the Company to come into effect from 31st May, 2013. The Board of Directors have designated Mr. Kishore Biyani as the Vice Chairman of the Company to come into effect from 31st May, 2013. The Board of Directors of Company have, subject to approval of the Shareholders and the Central Government, appointed Mr. Krishan Kant Rathie as Whole Time Director of the Company designated as an 'Executive Director and Chief Executive Officer' to come into effect from 31st May, 2013.

In terms of the provisions of the Companies Act, 1956, Mr. Anil Harish and Mr. Jagdish Shenoy retire from the Board of Directors of the Company by rotation and being eligible, have offered themselves for re-appointment at the forthcoming Annual General Meeting. None of the Directors are disqualified for appointment / re-appointment under Section 274(1)(g) of the Companies Act, 1956.

The Notice convening the forthcoming Annual General Meeting include the proposals for appointment / re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting and other details as required to be disclosed in terms of Clause 49 of the Listing Agreement forms part of the said Notice. None of the Directors are related *inter-se* to each other.

CORPORATE GOVERNANCE

A report on Corporate Governance together with Auditors' Certificate as required under Clause 49 of the Listing Agreement forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under Clause 49 of the Listing Agreement is presented separately and forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S), the Statutory Auditors of the Company who hold office until conclusion of the forthcoming Annual General Meeting have expressed their unwillingness to be re-appointed at the forthcoming Annual General Meeting. The Company proposes to appoint M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117364W), as Statutory Auditors of the Company.

M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117364W), have issued confirmation to the Company as required under Section 224 (1B) of the Companies Act, 1956, to the effect that their appointment, if made, would be within the limits specified in the said Section.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) 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 as at 31st March, 2013 and of the profit or loss of the Company on that date;

- c) 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 fraud and other irregularities;
- d) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2013, on a going concern basis.

PARTICULARS OF EMPLOYEES AND EMPLOYEE STOCK OPTION PLAN - 2011

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of certain employees are required to be set out in an Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report excluding the aforesaid information is being sent to all the Shareholders of the Company and others entitled thereto. Shareholders who are interested in obtaining such particulars may write to the Company at its Registered Office.

The disclosures as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 are annexed and forms part of this Report (Annexure 1).

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE INFLOW/OUTFLOW ETC

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of Conservation of Energy as per Form A and disclosures with respect to technology absorption as per Form B prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. The Company in the regular course of business takes all possible efforts towards energy conservation.

The details in respect of Foreign Exchange earnings/ outgo during the year under review, is provided in Note No. 34 in Notes to Accounts.

ACKNOWLEDGEMENT

Your Directors would like to thank and place on record their appreciation for the support and co-operation provided to your Company by its Shareholders, regulatory authorities, bankers and Future Group entities including their employees. Your Directors would also like to place on record their appreciation for the efforts put in by employees of the Company during the year.

For and on behalf of the Board of Directors

G.N. Bajpai
Chairman

Date : 30th May, 2013
Place: Mumbai

Annexure 1 to Directors' Report

Disclosures as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

FVIL Employees Stock Option Plan-2011

Sr. No	Particulars	Grant I (Pre-listing)	Grant II	Grant III
(a)	Options granted	13,280,000	2,055,000	4,200,000
(b)	Pricing Formula	₹ 10/- per equity share*	₹ 10/- per equity share*	₹ 10/- per equity share*
(c)	Options Vested	7,818,000	4,66,500	Nil
(d)	Options exercised	Nil	Nil	Nil
(e)	The total number of shares arising as a result of exercise of Option	Nil	Nil	
(f)	Options lapsed /cancelled	250,000	500,000	Nil
(g)	Variation of terms of Options	Nil	Nil	
(h)	Money realized by exercise of Options	Nil	Nil	
(i)	Total number of Options in force	13,030,000	1,555,000	4,200,000
(j)	Employee wise details of options granted to: (i) Senior Managerial Personnel (Directors and Key Managerial Personnel) (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year. (iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	Refer Note 1 Nil Nil	Refer Note 1 Nil Nil	Refer Note 1 Nil Nil
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	(0.08) for the financial year ended 31 st March, 2013.		
(l)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognised if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Had the Company followed the fair value method of stock option compensation, expenses would have been higher by ₹ 150.74 lakhs with consequent lower profits. On account of the same the diluted EPS of the Company would have been less by ₹ 0.01 per share.		
(m)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average price of option is ₹ 10* each and fair value of option is ₹ 2.36 each	Weighted average price of option is ₹ 10* each and fair value of option is ₹ 3.22 each	Weighted average price of option is ₹ 10 each and Fair Value of Option is ₹ 4.03 each

Sr. No	Particulars	Grant I (Pre-listing)	Grant II	Grant III
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: (i) risk free interest rate; (ii) expected life; (iii) expected volatility; (iv) expected dividend; and (v) the price of the underlying share in market at the time of option grant	Refer Note 2 below		

*Reduced to ₹ 6/- per equity share consequent to reduction in face value of equity shares.

Note 1: Details of Options granted and in force to Directors and/or Key Managerial Personnel of the Company and its Subsidiaries are as under:

Sr. No.	Name of the Option Grantee(s)	No. of Options Granted		
		Grant I	Grant II	Grant III
A	Directors			
1	Mr. G.N.Bajpai	250,000	Nil	Nil
2.	Mr. B.Anand	1,000,000	Nil	Nil
B.	Key Managerial Personnel			
1	Mr. K K. Rathi	8,200,000	Nil	Nil
2	Mr. C.P Toshniwal	1,000,000	Nil	Nil
3	Ms. Rachna Aggarwal	Nil	750,000	750,000
4	Mr. Arun Gupta	Nil	750,000	1,000,000
5	Mr. Praveen Dwivedi	500,000	Nil	Nil
6	Mr. Devendra Chawla	500,000	Nil	500,000
7	Mr. Raminder Singh Rekhi	500,000	Nil	500,000
8	Mr. Damodar Mall	500,000	Nil	1,000,000
9	Mr. Manoj Gagvani	250,000	Nil	200,000
10	Mr. Gopal Bihani	250,000	Nil	200,000

Note 2: Description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted average information:

FVIL Employee Stock Option Scheme 2011			
	Grant I	Grant II	Grant III
1. Fair Value Methodology	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.
2 Risk free interest rate	7.79%	8.27%	8.14%
3. Expected life	2.50 years	2.50 years	2.50 years
4. Expected volatility	Since the Company was unlisted, zero volatility considered	29.07%	27.42%
5. Expected dividend	The Company has not declared dividend, hence dividend has not been considered	The Company has not declared dividend, hence dividend has not been considered	The Company has not declared dividend, hence dividend has not been considered
6. Price of the underlying share in market at the time of option grant	At the time of granting Options, shares of the Company were not listed	₹ 8.75	₹ 9.90

MANAGEMENT DISCUSSION AND ANALYSIS

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our businesses and the ecosystem in which these are rendered.

Management Discussions and Analysis is structured as follows:

- Economy Overview
- Business and Performance Overview
- Competitive Landscape
- Risks and Threats
- Internal Controls and their adequacy
- Review of Financial Performance

Some statements in this discussion may be forward looking. Future performance may however, differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, competing products and their pricing, product demand and supply constraints.

Economy overview

The global economy is showing signs of coming out of recession particularly the US economy, though Europe continues to struggle to overcome deep structural imbalances. More worrisome is the continued slowdown in Asian economies of China and India. While China has far greater strength to survive the down turn, it is Indian Economy which is passing through its worst phase since 1991. The GDP growth has slowed down to 5%, ballooning current account deficit, fast eroding value of rupee, loss of confidence of foreign as well as Indian investors, coupled with tight liquidity has impacted new investments in the economy severely. The Central Government seems to be making right noises but hardly any credible action is seen so far to tackle the crisis.

Only saving grace for the economy continues to be strong consumption growth though that is also slowing in view of higher level of inflation and slowing income growth. As an internal consumption dependent economy, a small push on investment results in significant change in economic growth. The downturn seems to be bottoming out and a virtuous cycle of investment and growth is expected to be resumed soon.

Business and performance overview

During the year, the Company has realigned its businesses through Composite Scheme(s) of Arrangement and Amalgamation, resulting in its fashion business investments becoming part of larger entity, Future Lifestyle Fashions Limited and Food & FMCG business getting consolidated under the Company. The Company will now be focused only on Food and FMCG business, which constitute a significant portion of

the household consumption. The domestic market for Food and FMCG continues to be robust and expand despite low overall economic growth underpinning the changing demographics and income patterns in both urban and rural markets. With the restructuring of its business and by making Food and FMCG its operating business, the company has positioned itself well for this anticipated growth in business with an appropriate structure, strategy and capabilities. The Company's initiative in setting up a Mega Food Park by combining its brands, distribution both urban and rural and food processing capabilities, will capture the entire value chain of food processing from Farm to Fork.

The Company believes that the realignment of business as above will result in faster and better value creation for its stakeholders.

The Company now has a total equity of ₹ 943 crs, out of which almost 65% invested in Food and FMCG, 10% in edutainment and about 25% is available for further expansion.

Fashion business

The fashion business has been demerged w.e.f. 1st January, 2013 as per the scheme sanctioned by the High Court and therefore no detailed discussion on the same is considered necessary.

Food & FMCG business

The Indian Food and FMCG market continues to experience strong growth. Growing middle class and rising rural incomes have been the main catalyst for consumer spending and growing consumption of food including processed Food and FMCG in both rural and urban areas. Indian consumers are showing increasing propensity to spend a significant proportion of their income on processed food and other value added food products.

The potential and necessity of food processing industry in India is now realised by Central as well as State Governments, who are running various schemes to provide incentives to this sector. The branded players in the processed foods sector are expected to grow much faster than the total market. In addition to the demand side, there are changes happening on the supply side as well with the growth in organised retail, increasing foreign direct investment (FDI) in food processing and introduction of new products. There is also significant interest from the international players who have realised that the processed food market in India is just taking shape and there is huge market to be tapped. However, we believe that with unique preference and taste of Indian consumers, there shall be huge opportunity for Indian companies to cater to the changing preferences of Indian customer. With massive scope for value addition, growing trend in the consumption pattern of processed food products in India and many fiscal incentives being planned by the Government, this sector is poised for a

hyper growth in the future. Government incentives in the field of mega food parks, cold chain and exports benefits are also playing an important role in encouraging food processing.

The Company is developing new and fast growing products and brands in the processed and packaged food segment as well as home care and personal care segment that are retailed through KB's Fairprice and Big Apple, its urban convenience stores, Aadhaar, its rural distribution network, Food Bazar and Big Bazar, its associated modern retail chain and other retailers. The Company's initiative in upcoming Mega Food Park, near Bangalore will strengthen supply side capabilities and will capture the entire value chain from sourcing from farmers in vicinity to processing and packaging of food products and distribution to retailers. The Mega Food Park at Tumkur, Karnataka is progressing well and is expected to be operational by March 2014.

Our Food and FMCG business has recorded a gross turnover of ₹ 670 crore and EBITDA loss of ₹ 24 crore including the financials of the following investee companies:

- (i) Capital Foods Exportts Private Limited
- (ii) Aadhaar Wholesale Trading and Distribution Limited

1. Capital Foods Exportts Private Limited ("Capital Foods")

Capital Foods is manufacturing, developing and distributing branded packaged ready to cook and ready to eat products such as soups, instant noodles, sauces, chutneys, hakka noodles, vinegar under its brands, "Chings Secret" and "Smith& Jones". During the year, Capital Foods has launched innovative products and easy to use packaging for its soups and chutneys. It currently has C&F agents and distributors across cities for general distribution reaching more than 3 lakh retailers. It sells almost 20% of its products directly to modern retail. It also exports products to various countries including United States, Australia, Kuwait, Singapore, Canada, Dubai, UK, South Africa, Ghana, etc.

For fiscal year 2013, Capital Foods reported a consolidated turnover of ₹ 145 crore and operating profit/EBITDA of ₹ 16 crore, showing growth of 17% and 8% respectively over previous year.

2. Aadhaar Wholesale Trading and Distribution Limited ("Aadhaar")

The rural market represents the largest potential market in the Country due to under penetration by most Food and FMCG companies and rising rural incomes. With over 70 per cent of India's population residing in rural/ semi urban areas, expanding into these markets is becoming one of the necessary targets for all sectors.

Aadhaar is working precisely to tap this potential and considering the penetration potential and the current challenges of distribution of products, Aadhaar is expanding

its reach particularly in the State of Gujarat and Punjab. After setting up its distribution centre at Kalol, Gujarat and Barnala, Punjab and establishing franchisee in vicinity areas, it is all set to expand further by opening three more such distribution centres in Gujarat .

Aadhaar has registered sales of ₹ 138 crore and EBITDA loss of ₹ 13 crore during the year under review. It has registered a growth of 48% in its revenue over previous year.

Other Investments

In addition to Food and FMCG being our main business, we have also invested in the following companies:

- (i) Amar Chitra Katha Private Limited
- (ii) Star and Sitara Wellness Private Limited

1. Amar Chitra Katha Private Limited ("ACK")

The company operates in Media and Entertainment Industry and caters to children in the age group of 5 to 15. The size of the Indian Media & Entertainment (M&E) Industry is about INR 820 billion, according to the IBEF report. While conventional media such as television (TV), print and radio continue to be dominant segments, animation, visual effects, films and music are also posting strong progress owing to content and the benefits of digitisation.

Your Company has 68.12% stake in the company. ACK owns flagship brand 'Amar Chitra Katha', 'Tinkle' and 'Brainwave', and also has a strategic investment in a children's audio book brand 'Karadi tales'. It has basket of 400+ titles and over 100 proprietary characters. It is an established leader in the under 15 age group with diverse product offerings in various formats that are compatible to new media platforms. The company also operates India Book House (IBH), the largest distributor of books and magazines in India.

ACK also publishes and distributes international magazine 'National Geographic' and 'NG Traveller'. Both the magazines are well received in the Indian market.

The company worked on consolidating its operations and strategies during the year. It has been working on building up three pillars i.e Content, Publishing and Distribution. ACK intends to transform its IPR and icons to new age, digital platform by building properties in online, gaming, movies and product merchandising space.

During the fiscal year 2013, company has reported sales of ₹ 60 crore and EBITDA loss of ₹ 5 crore.

2. Star and Sitara Wellness Private Limited ("Star and Sitara")

The size of the salon products (hair and skin) market in India was ₹ 24.9 billion in 2010, of which hair constituted 60% i.e. ₹ 14.9 billion and skin constituted ₹ 10.0 billion. The share of the urban market was around 44% i.e. ₹ 11.0 billion. As per

our estimates, the urban salon products market will more than double and reach ₹ 23.7 billion i.e. a CAGR of 17% (2010-2015E). The total salon hair products market in India is expected to reach ₹ 28.5 billion and salon skin products is expected to reach ₹ 19.0 billion growing at a CAGR of 14% (2010-2015E). (Source: *Reevolv estimates; based on NSS reports on Household Consumption Expenditure*)

In FY 2013 the Company invested in a salon company, Star and Sitara Wellness Private Limited. It is a beauty unisex salon and wellness spa chain with 34 stores, spread across 17 cities in India.

The company specializes in providing salon services in skin and hair. The company also provides personalized bridal services and festive packages. There are stand alone services as well as customized packages available.

The company reported sales of ₹ 6 crore and EBITDA loss of ₹ 2 crore. These numbers are incorporated for 7 months i.e. September 2012 to March 2013.

Competitive landscape

Three well-identified set of players operate within a highly developed and intensely competitive landscape of the Indian Food/FMCG market.

1. MNCs with vast distribution network and wide array of products and brands;
2. Strong Indian players with established national presence; and
3. Regional or small domestic players, who are present in a few regions of the Country.

Apart from these, there are regional and small-scale Food/FMCG players who mainly compete by offering regional products or low-priced products with similar looks or packaging compared to the bigger brands, to the 'right consumers' typically based in rural areas or in small towns. These players with lower corporate overheads and clear focus on specific consumer requirements have a competitive edge over larger FMCG players. Considering the low proportion of branded products in India, we feel entry of new brands, products and players will certainly lead to competition which will actually help in expanding the market for Food and FMCG products. Penetration level and per capita consumption in many product categories is very low compared to world average standards representing the unexploited market potential. We feel that there is huge scope for new and innovative products.

Sustained investments behind our brands and distribution enhancement initiatives both in urban and rural areas will be the key growth enablers for the years to come. We believe that consumer satisfaction is the single most important measure of success for us and the increasing demand for our products in spite of stiff competition validates the trust that consumers place in them.

Risks and threats

Food and FMCG segment is largely affected by the diverse consumer preferences, increasing competition, rising logistics and procurement costs, rural demand which is cyclical in nature, also depends on monsoon, high Inflation, removal of import restrictions resulting in replacement of domestic brands, increasing clutter – advent of price wars and tax regulatory structure.

Our results of operations and financial condition will also continue to be influenced by the macro-economic, market and other conditions and developments in India. These factors include levels of and growth rates in GDP and per capita GDP which affect the customer's disposable income. Rising inflation, higher interest costs, currency exchange volatility pose a threat to input cost and margins. A slow down of the Indian economy may adversely affect our businesses, including its ability to implement its strategy.

These would be mitigated by a thorough continuous monitoring of performance and factors impacting it. Monitoring of costs and working capital management would be the focus to create efficiencies and margin expansion.

Internal controls and their adequacy

The Audit Committee comprising of independent Directors regularly reviews financial and risk management policies, monitors control procedures in the Businesses and investee companies, key audit findings and recommends measures to improvise the risk assurance processes.

The Internal Auditors review the processes and transactions on periodic basis, discusses with the operating management and finalises their findings and recommendations which are submitted to the Audit Committee. In addition, the Management Assurance team carries out quarterly reviews to assess the internal control environment of Businesses and their adequacy. We review their internal audit reports and monitor implementation of key recommendations. The broader systems of internal controls and external audits have been defined and deployed in the various businesses to effect continuous improvements and protect our Businesses and shareholders from potential risks.

Review of financial performance

The consolidated financial statements have been prepared in accordance with Indian GAAP (Generally Accepted Accounting Principles) and as prescribed for accounting of subsidiaries, Joint Ventures and Associates, as applicable.

Investment in subsidiaries are accounted based on line-by-line consolidation after eliminating inter- company balances and minority interests as per AS- 21. Investment in Joint ventures are accounted based on proportionate consolidation method as per AS - 27. Investments in associates are accounted based on equity method as per AS - 23.

Income

The Company has recorded consolidated total income of ₹ 96,018 lakhs in the fiscal 2013 as against ₹ 86,041 lakhs in fiscal 2012. Our total income primarily consists of income from sale of Consumer products by the company and our subsidiaries, income from investing activities, interest on deposits, other operating income, other income and our proportionate share of income in our joint ventures. Income from sale of consumer products primarily consists of income from sales of products by our distribution business directly or through subsidiaries. Income from investing activity primarily consists of interest income and dividend income.

Expenditure

Our total expenditure consists of costs of goods sold directly and through our subsidiaries, employee costs, operating and other expenses, interest and financing charges and depreciation and our proportionate share of costs in our joint venture.

Cost of goods sold

Our cost of goods sold primarily includes costs in relation to purchases of raw materials by our subsidiaries and other costs which include freight and forwarding charges and labour charges and our proportionate share of costs in our joint venture. Our cost of goods sold accounted for 70% and 68% of our total income for the Fiscal 2013 and Fiscal 2012, respectively.

Employee costs

Our employee cost include salaries and bonuses to our employees, contributions to provident funds and other funds as well as staff welfare expenses and also includes our proportionate share of costs in our joint ventures. Our staff costs accounted for 9% and 8% of our total income for Fiscal 2013 and 2012, respectively.

Administrative and Other expenses

Our administrative and other expenses primarily include expenses towards payment of rent, power, water and fuel, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges and our proportionate share of such costs in our joint ventures. Our administrative and other expenses accounted for 22% of our total income for both Fiscal 2013 and Fiscal 2012.

Interest and financing charges

Our interest and financing primarily consists of interest on working capital loans, fixed loans and term loans and our proportionate share of such expenses in our joint ventures. Our interest and financing charges accounted for 2% and 3% of our total income for Fiscal 2013 and Fiscal 2012, respectively.

Depreciation & Amortization

Depreciation expenses primarily consists of depreciation our fixed assets. Depreciation also includes amortization of intangible assets such as trademarks, brands and entry and license fees. Depreciation accounted for 4% and 3% of our total income for Fiscal 2013 and Fiscal 2012, respectively.

Provision for taxation

We provide for income tax as well as deferred tax. Provision for taxation accounted for 0.5% and 1% of our total income for Fiscal 2013 and Fiscal 2012, respectively.

CORPORATE GOVERNANCE REPORT

In terms of Clause 49 of the Listing Agreement with BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), the report containing details of corporate governance systems and processes at Future Ventures India Limited is as under:

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance indicates fairness, transparency, accountability and integrity of the management.

The Company has established procedures and systems to ensure regular dissemination of information to the Board of Directors to ensure effective oversight of the Company's business and activities. Based on the Corporate Governance practices, the Company has always worked towards building trust with the shareholders and its employees. Your Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its Stakeholders.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March, 2013 and their attendance at the meetings during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2012-13	No. of Board Meetings attended by the Director during the financial year 2012-13	Attendance at the last AGM	No. of Directorship in other public limited companies#	No. of Committee position held including the Company*	
						Chairman of the Committee	Member
Mr. G. N. Bajpai	Chairman, Independent Director & Non-Executive Director	4	3	Yes	11	5	3
Mr. Kishore Biyani	Promoter and Managing Director [§]	4	2	Yes	7	0	3
Mr. Anil Harish	Independent Director & Non-Executive Director	4	3	Yes	13	4	6
Mr. B. Anand	Independent Director & Non-Executive Director	4	2	No	2	2	1
Mr. Jagdish Shenoy	Independent Director & Non-Executive Director	4	4	Yes	2	0	3
Mr. Gaurav Burman	Non-Executive Director	4	0	No	2	0	0
Ms. Vibha Rishi	Independent Director & Non-Executive Director	4	3	No	1	0	0
Mr. Frederic de Mevius@	Independent Director & Non-Executive Director	4	0	Not Applicable	0	0	0

excludes directorship in foreign companies and Section 25 companies

* Membership/Chairman of only Audit Committee and Shareholders'/Investors' Grievances Committee in public limited companies have been considered

@ Appointed with effect from 9th November, 2012

§ Designated as Vice Chairman to be effective from 31st May, 2013

BOARD OF DIRECTORS

The Board of Directors of the Company ("Board") has optimum combination of Non-Executive and Independent Directors, more than fifty percent being Non-Executive and more than one-third being Independent Directors.

Mr. G. N. Bajpai acts as the Non-Executive Chairman of the Board. Mr. Kishore Biyani has been designated as the Vice Chairman of the Board to come into effect from 31st May, 2013.

None of the Directors hold directorship in more than 15 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

During the financial year 2012 - 2013, four meetings of the Board of Directors were held on the following dates:

24th May, 2012, 14th August, 2012, 9th November, 2012 and 13th February, 2013.

AUDIT COMMITTEE

Terms of Reference

The terms of reference of Audit Committee *inter alia* includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information;
- Recommending to the Board, the appointment, re-appointment and replacement of the statutory auditor and the fixation of audit fee;
- Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Such other matters as specified under Clause 49 of the Listing Agreement and requirements of Section 292A of the Companies Act, 1956 and the Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

The Audit Committee from time to time invites Statutory Auditors, Internal Auditors and other executives, as it considers appropriate to be present at the meeting.

Composition and Attendance at Meetings:

As on 31st March, 2013, the composition of the Audit Committee has been as under:

- Mr. G.N.Bajpai
- Mr. Anil Harish
- Mr. B. Anand
- Mr. Jagdish Shenoy

During the financial year 2012-13, four meetings of Audit Committee were held on the following dates: 24th May, 2012, 14th August, 2012, 9th November, 2012 and 13th February, 2013.

Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	3
Mr. Anil Harish	Member	3
Mr. B. Anand	Member	2
Mr. Jagdish Shenoy	Member	4

Mr. G.N.Bajpai, Chairman of the Audit Committee was present at the last Annual General Meeting held on 5th September, 2012.

NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

Terms of Reference

The terms of reference of Nomination and Remuneration / Compensation Committee *inter alia* includes the following:

- To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;
- To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;
- To decide on the contents and obtain declarations from the Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time;
- To recommend the suitable change(s), if required to the Board of Directors of the Company;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;
- Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines;
- Such other matters as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings:

As on 31st March, 2013, the composition of Nomination and Remuneration / Compensation Committee has been as under:

- Mr. G.N.Bajpai
- Mr. Anil Harish
- Mr. B.Anand
- Mr. Jagdish Shenoy

During the financial year 2012-13, one meeting of Nomination and Remuneration / Compensation Committee was held on the following date: 9th November, 2012.

Attendance of the Directors at the Nomination and Remuneration / Compensation Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	0
Mr. Anil Harish	Member	1
Mr. B. Anand	Member	1
Mr. Jagdish Shenoy	Member	1

Remuneration Policy:

Details of remuneration paid to the Directors during the Financial Year 2012-13

Name of Directors	Sitting Fees (₹) **	Gross Remuneration (₹)	Total (₹)	No. of Stock options held
Mr. Kishore Biyani	Nil	5,376,000	5,376,000	-
Mr. G. N. Bajpai	180,000	-	180,000	250,000
Mr. Anil Harish	140,000	-	140,000	-
Mr. B. Anand	200,000	-	200,000	1,000,000
Mr. Jagdish Shenoy	180,000	-	180,000	-
Mr. Gaurav Burman	-	-	-	-
Ms. Vibha Rishi	60,000	-	60,000	-
Mr. Frederic de Mevius*	-	-	-	-

*Appointed with effect from 9th November, 2012

**includes fees paid for board and committee meetings.

Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2012-13. None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2013.

SHAREHOLDERS'/ INVESTORS' GRIEVANCES AND SHARE TRANSFER COMMITTEE

Terms of Reference

The terms of reference of Shareholders'/ Investors' Grievances and Share Transfer Committee includes the following:

- To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;
- To approve issue of Duplicate/Consolidated/Split Share Certificate(s);
- To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal of the Company on Share Certificate(s) as per Article of Association of the Company, etc;
- To do all acts, deeds and things as may be required from admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL].

Composition and Attendance at Meeting

As on 31st March, 2013, the composition of Shareholders'/ Investors' Grievance and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. B. Anand

During the financial year 2012-13, three meeting(s) of the Shareholders'/ Investors' Grievance and Share Transfer Committee were held on the following dates:

24th May, 2012, 29th September, 2012 and 24th December, 2012.

Attendance of the Directors at the Shareholders' / Investors' Grievances and Share Transfer Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. B. Anand	Chairman	3
Mr. Kishore Biyani	Member	3

During the year under review, 14 complaints/correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agents. The shareholder's complaints / correspondences were resolved / attended and there were no pending complaints or un-attended correspondences as on 31st March, 2013.

Name, Designation and address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head-Legal
Future Ventures India Limited
Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060

GENERAL BODY MEETINGS

The details of Annual General Meetings ("AGM") held during last three years are as follows:

Year	Day, Date and Time	Venue
2009-10	Tuesday, 10 th August, 2010 at 10.30 a.m.	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
2010-11	Friday, 23 rd September, 2011 at 11.00 a.m.	Rangaswar Hall, 4 th Floor, Y.B. Chavan Centre, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai - 400 021
2011-12	Wednesday, 5 th September, 2012 at 11.00 a.m.	Rangaswar Hall, 4 th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021

Special Resolution(s) passed at the last three Annual General Meetings ("AGM")

AGM	AGM Date	Special Resolutions passed
14 th	10 th August, 2010	a) Approval for Initial Public Offer ("IPO") of Equity Shares. b) Approval for Employee Stock Option Scheme c) Approval for Employee Stock Option Scheme – Subsidiary Companies
15 th	23 rd September, 2011	None
16 th	5 th September, 2012	None

Extra Ordinary General Meeting

During the year under review, one Extra Ordinary General Meeting ("EGM") of the Members of the Company was held on 4th March, 2013.

Special Resolution(s) passed at the EGM held on 4th March, 2013

- Re-appointment of Mr. Kishore Biyani as Managing Director of the Company and payment of remuneration.
- Reduction in face value of equity shares of the Company of ₹ 10/- per equity share to ₹ 6/- per equity share and re-classification of Authorised Share Capital of the Company.

POSTAL BALLOT

Special Resolution passed through Postal Ballot:

During the year under review, postal ballot process was undertaken by the Company to seek approval of the Shareholders by passing a special resolution for Alteration of Main Objects of the Memorandum of Association of the Company.

Procedure for Postal Ballot and Voting Pattern:

- The Company had appointed Mr. Sanjay Dholakia - Practising Company Secretary as the Scrutinizer for conducting postal ballot process.
- The postal ballot process was carried out in a fair and transparent manner. E-voting facility was also offered to the Shareholders for the postal ballot alongwith voting through physical forms. The physical postal ballot forms had been kept under the safe custody in a sealed and tamper proof ballot box before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received and all votes casted electronically through e-voting, up to the close of working hours on Thursday, 28th March, 2013, the last date and time fixed by the Company for receipt of the forms, had been considered.
- The results of the Postal Ballot were announced on 2nd April, 2013 at the Registered Office of the Company as per the Scrutinizer's Report as under:

Special Resolution: Alteration of Main Objects of the Memorandum of Association of the Company.

Promoter/ Public	No. of shares held (Total outstanding shares)	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	(3)=[(2)/(1)]*100	4	5	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	604,092,737	519,986,711	86.08	519,986,711	0	100.00	0
Public – Institutional holders	160,285,878	208,980	0.13	208,980	0	100.00	0
Public-Others	811,865,085	2,366,022	0.29	1,702,144	663,878	71.94	28.06
Total	1576,243,700	522,561,713	33.15	521,897,835	663,878	99.87	0.13

Note: The above results include voting done through physical postal ballot forms and e-voting system provided by NSDL.

The results of the postal ballot was also posted on the website of the Company – www.futureventures.in

Court Convened Meeting(s) of Shareholders

During the year under review, following Court Convened Meeting(s) of the Shareholders of the Company were held:

Date and Time	Subject Matter
4 th March, 2013, 12.00 noon	Approval for Composite Scheme of Arrangement and Amalgamation between Indus-League Clothing Limited and Lee Cooper (India) Limited and Future Ventures India Limited and Pantaloon Retail (India) Limited (now know as Future Retail Limited) and Future Lifestyle Fashions Limited and their respective shareholders and creditors.
4 th March, 2013, 2.30 p.m.	Approval for Composite Scheme of Arrangement and Amalgamation between Future Consumer Enterprises Limited and Express Retail Services Private Limited and Think Fresh International Private Limited and Future Ventures India Limited and their respective shareholders and creditors.

Disclosures

Related Party Transactions

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under Note 33 of the Balance Sheet as at 31st March, 2013.

Statutory Compliance, Penalties and Strictures

The Company has complied with requirements of Stock Exchange/ SEBI and other statutory authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Disclosure of Accounting Treatment

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant

provisions of the Companies Act, 1956. The mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, as amended from time to time and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

Proceeds from the Initial Public Offer of the Company.

The details of utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for purposes other than those mentioned in the Prospectus of the Company, except re-structuring by way of allocation of ₹ 604.26 lakhs for "Issue Related Expenses" in the Prospectus towards the object "to create, build, invest or acquire and operate Bussiness Ventures".

Code of Conduct

The Company has framed and adopted the Code of Conduct for all its Board Members and Senior Management personnel. The Code of Conduct for the employees as well as the Board Members is posted on the website of the Company- www.futureventures.in

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2012-13.

A declaration to this effect signed by Managing Director forms parts of the Annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Clause 49(IV) (F) of the Listing Agreement.

Means of Communication and Shareholder Information

The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in one English and one regional language newspaper. The financial results are also uploaded on the website of the Company - www.futureventures.in

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the website of the Company - www.futureventures.in

General Shareholder Information

Annual General Meeting

Date and Time	: 23 rd September, 2013 at 10.30.a.m.
Venue	: Cultural Hall, 4 th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai-400 021
Financial Year	: The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	: By second week of August, 2013
Second Quarter Results	: By second week of November, 2013
Third Quarter Results	: By second week of February, 2014
Fourth Quarter /	: By end of May, 2014
Date of Book Closure	: 20 th September, 2013 to 23 rd September, 2013 (both days inclusive)
Dividend Payment Date	: Not Applicable
Listing on Stock Exchange	: The Company's Equity Shares are listed on the following Stock Exchanges:

1. BSE Limited ("BSE") - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2. The National Stock Exchange of India Limited ("NSE") - Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051

Stock Code:

BSE Limited	: 533400
The National Stock Exchange of India Limited	: FUTUREVENT
International Securities Identification Number ("ISIN")	: INE220J01017

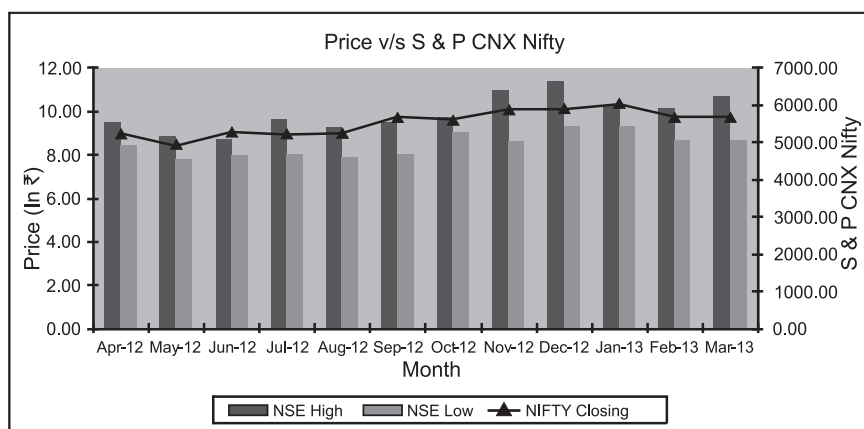
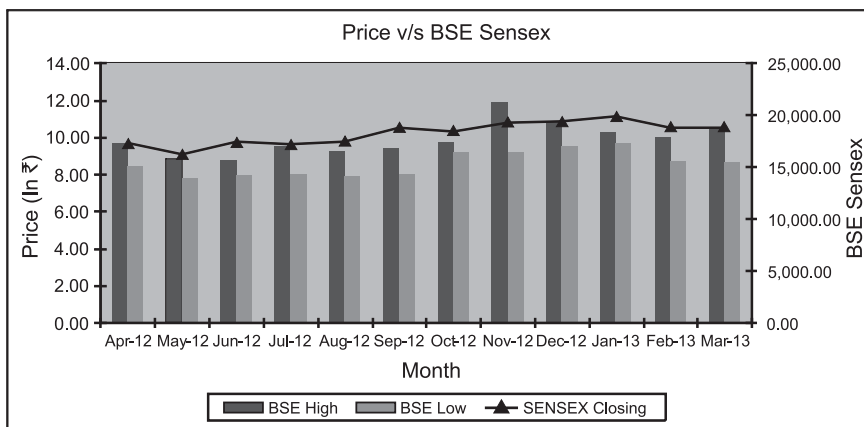
Listing Fees

Listing fees for both the Stock Exchanges for the year 2012-13 has been paid.

Market Price Data during Financial year 2012-13:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	9.65	8.40	9.45	8.40
May, 2012	8.80	7.80	8.80	7.80
June, 2012	8.74	7.96	8.70	7.95
July, 2012	9.50	8.00	9.65	8.00
August, 2012	9.24	7.90	9.25	7.90
September, 2012	9.39	8.00	9.45	8.00
October, 2012	9.70	9.20	9.70	9.00
November, 2012	11.88	9.20	11.00	8.60
December, 2012	10.84	9.50	11.40	9.30
January, 2013	10.25	9.66	10.25	9.30
February, 2013	10.01	8.70	10.10	8.65
March, 2013	10.56	8.60	10.70	8.65

Performance of share price in comparison with the broad-based indices viz. BSE SENSEX and NSE Nifty:



Registrar and Share Transfer Agents

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West)

Mumbai – 400 078

Tel: + 91 22 2594 6970

Fax: +91 22 2594 6969

E mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

Share held in physical form are processed by the Registrar and Share Transfer Agents in the prescribed manner and if the documents are complete in all respects, are transferred within the timeframe under the applicable provisions of law.

Distribution of Shareholdings as on 31st March, 2013

Share holding of Nominal Value of ₹	Shareholders		Amount	
	Number	% to total	In ₹	% to total
1 - 5000	6,221	24.45	13,591,810	0.09
5001 - 10000	7,417	29.15	52,043,440	0.33
10001 - 20000	5,326	20.93	76,783,710	0.49
20001 - 30000	1,778	6.99	47,215,410	0.30
30001 - 40000	457	1.80	16,632,510	0.10
40001 - 50000	864	3.39	40,466,730	0.26
50001 - 100000	1,631	6.41	130,166,550	0.82
100001 and above	1,750	6.88	15,385,536,840	97.61
Total	25,444	100.00	15,762,437,000	100.00

Categories of Shareholding as on 31st March, 2013

Category	No. of Shares	Shareholding %
Promoters and their relatives/ associates	62,33,34,604	39.55
Mutual Funds	24,455	0.00
Banks	1,50,55,223	0.95
Foreign Institutional Investors	30,30,90,232	19.23
Non Residents Indians	17,63,625	0.11
Non Residents Indians (Non Repatriable)	3,70,502	0.02
Indian Companies	44,57,55,523	28.28
Indian Public	18,21,41,143	11.56
Clearing Members	47,08,393	0.30
Total	1,57,62,43,700	100.00

Dematerialization of Shares and Liquidity

As on 31st March, 2013, a total of 1,571,618,420 equity shares aggregating to 99.71% of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

The Company's Equity Shares are regularly traded on BSE Limited and on National Stock Exchange of India Limited.

Outstanding GDRs/ : NIL

ADRs/ Warrants

or any Convertible

Instruments

Plant Location : Not Applicable

Address for Correspondence : **Registrar and Share Transfer Agents**
 Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai – 400 078
 Tel: + 91 22 2594 6970
 Fax: +91 22 2594 6969
 E mail: rnt.helpdesk@linkintime.co.in

Company

Future Ventures India Limited

Registered Office:

Knowledge House, Shyam Nagar,
 Off Jogeshwari Vikhroli Link Road,
 Jogeshwari (East),
 Mumbai- 400 060
 Tel: +91 22 3084 1300
 Fax: + 91 22 6644 2201

Corporate Office:

247 Park, Tower C, 7th Floor,
 LBS Road, Vikhroli – (West),
 Mumbai – 400 083
 Tel.: +91 22 6199 4070
 Fax: +91 22 6199 5391
 Website: www.futureventures.in

Designated email id: investor.care@futureventures.in

Non Mandatory Requirements

The status of compliance with the non-mandatory requirements is as under:

1. Chairman of the Board

No separate office for the Chairman is maintained, and hence no reimbursement of expenses is made towards the same.

No Specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment by the Members.

2. Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

3. Shareholders' Rights

The Company has not sent half yearly financial performance to each household of the Shareholders.

4. Audit Qualification

There are no audit qualifications in the financial statements for the financial year 2012-13. Standard practices and procedures are followed to ensure unqualified financial statements.

5. Training of Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

6. Mechanism for evaluating Non-Executive Board Members

The Company, presently does not have any formal mechanism for evaluating Non-Executive Board members.

7. Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy.

DECLARATION

I, Mr. Kishore Biyani – Managing Director of Future Ventures India Limited hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 49(1)(D) (ii) of the Listing Agreement entered into with the Stock Exchange for the year ended March 31, 2013.

For Future Ventures India Limited

Place: Mumbai

Date: 30th May, 2013

Kishore Biyani
Managing Director

Auditor's Certificate as per Clause 49 of the Listing Agreement

To,
The Members of
Future Ventures India Limited

We have examined the compliance of conditions of Corporate Governance by Future Ventures India Limited ("**the Company**") for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the directors and the management and read with the paragraph above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 008072S)

Place: Mumbai
Date : 30th May, 2013

M.K. Ananthanarayanan
Partner
Membership No. 19521

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE VENTURES INDIA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **FUTURE VENTURES INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 008072S)

M. K. Ananthanarayanan
Partner
(Membership No. 19521)

MUMBAI, 30th May, 2013

Annexure to the Independent Auditors' Report
(Referred to in paragraph 7 of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results, clauses (viii), (xii) (xiii), (xvi) and (xix) of paragraph 4 of the Order are not applicable to the Company in the current year.
- (ii) In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - 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 were 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 explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has not granted any loans during the year. At the year-end, the outstanding balance of such loans is Rs. Nil and the maximum amount involved during the year was Rs. 651,000,000 (number of parties 4).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company.
 - (c) The receipts of principal amounts and interest have been regular.
 - (d) There are no overdue amounts remaining outstanding as at the year-end
 The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us,
 - a. The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b. Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party and having regard to certain expenditure which are of special nature and for which comparable quotations are not available, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has been generally regular in depositing undisputed dues, including Provident Fund, Income-tax, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

- c. Details of dues of Income-tax, which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Statute	Nature of the dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Taxes	4,918,063	2008-09	Tribunal
		262,128	2010-11	Commissioner of Income Tax (Appeal)
Total		5,180,191		

- (x) The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth and the Company had incurred cash losses only during the preceding year but has not incurred any cash loss during the current financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from financial institutions and debenture holders.
- (xii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, *prima facie*, prejudicial to the interests of the Company.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long term investment.
- (xv) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) The Management has disclosed the end use of money raised by public issue in the notes to the financial statements and we have verified the same.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No.008072S)

M. K. Ananthanarayanan
Partner
(Membership No. 19521)

MUMBAI, 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Equity and Liabilities			
Shareholders' Funds			
a) Share Capital	3	95,878.60	157,624.37
b) Reserves and Surplus	4	(1,617.26)	(1,187.95)
Non Current Liabilities			
a) Long Term Provisions	5	46.60	12.06
Current Liabilities			
a) Short Term Borrowings	6	76.98	-
b) Trade Payables	7	4,884.61	99.86
c) Other Current Liabilities	8	1,681.43	9.75
d) Short Term Provisions	9	233.82	142.17
		6,876.84	251.78
Total		101,184.78	156,700.26
Assets			
Non Current Assets			
a) Fixed Assets (Net Block)	10		
(i) Tangible Assets		1,979.06	12.98
(ii) Intangible Assets		24,181.47	-
		26,160.53	12.98
(iii) Capital Work-in-Progress		4.81	-
		26,165.34	12.98
b) Non-Current Investments	11	40,674.57	102,100.82
c) Deferred Tax Asset (Net)	12	-	39.82
d) Long Term Loan and Advances	13	1,083.28	404.98
		67,923.19	102,558.60
Current Assets			
a) Current Investments	14	10,401.43	26,855.31
b) Inventories	15	2,957.99	-
c) Trade Receivables	16	1,371.70	-
d) Cash and Cash Equivalents	17	343.09	106.56
e) Short Term Loan and Advances	18	17,803.72	26,722.06
f) Other Current Assets	19	383.66	457.73
		33,261.59	54,141.66
Total		101,184.78	156,700.26
See accompanying Notes to Accounts forming part of the financial statements	1-42		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Revenue			
Revenue from Operations	20	35,769.51	5,525.78
Other Income	21	27.41	5.94
Total Revenue		35,796.92	5,531.72
Expenses			
Cost of Materials Consumed	22	1,186.58	-
Purchases of Traded Goods		27,132.94	-
Changes in inventories of Work In Progress, Finished Goods and Stock in Trade	23	(2,499.52)	-
Employee Benefits Expense	24	2,899.43	718.47
Finance Cost	25	200.96	-
Depreciation and Amortisation Expenses	10	1,575.80	3.96
Other Expenses	26	6,405.72	2,554.04
Total Expenses		36,901.91	3,276.47
(Loss)/Profit before Exceptional Items		(1,104.99)	2,255.25
Exceptional Items		-	(3,100.30)
Loss before Tax		(1,104.99)	(845.05)
Less : Tax Expense			
Current Tax		-	502.45
Provision for tax relating to earlier years		-	48.55
Net Current Tax		-	551.00
Deferred Tax		39.82	(29.06)
Loss after Tax		(1,144.81)	(1,366.99)
Basic and Diluted Earnings per Share (Face Value ₹ 6 each (Previous year ₹ 10 each))	30	(0.07)	(0.09)
See accompanying Notes to Accounts forming part of the financial statements	1-42		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
A. Cash Flow From Operating Activities		
Loss before tax	(1,104.99)	(845.05)
Adjustments for :		
Depreciation	1,575.80	3.96
Interest and Financial Charges	200.96	-
Exchange Rate Fluctuation	-	0.04
Interest Income	(4,617.44)	(4,827.74)
Interest on Income Tax Refund	(5.97)	(5.94)
Dividend Income	(268.92)	(676.07)
Loss on Sale of Fixed Assets	52.21	0.05
(Profit) on Sale of Investments	(3.29)	(21.97)
Provision for Standard assets	(8.83)	49.96
Sundry Creditors Written Back	7.29	-
Provision for Compensated absences	17.91	4.83
Provision for Gratuity	13.75	6.57
Operating Profit before Working Capital changes	(4,141.52)	(6,311.36)
(Increase) / Decrease in Trade Receivable	(525.66)	-
(Increase) / Decrease in Inventories	(2,268.10)	-
(Increase) / Decrease in Loans and Advances	2,242.61	(20,183.42)
Increase / (Decrease) in Liabilities and Provisions	5,293.90	(445.07)
	601.23	(26,939.85)
Income Taxes Refund (Paid)	(514.78)	87.87
Dividend Income	268.92	676.07
Interest Received	4,691.51	3,946.03
Net Cash flow from / (used in) operating activities (A)	5,046.88	(22,229.88)
B. Cash Flow From Investing Activities		
Sale of Fixed assets	7.88	0.21
Purchase of Fixed Assets	(14,108.16)	(1.08)
Purchase of Investments	(49,659.45)	(197,534.59)
Redemption of Investments	59,476.33	144,840.53
Net Cash flow used in Investing Activities (B)	(4,283.40)	(52,694.93)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
C. Cash Flow From Financing Activities		
Interest and Finance Charges Paid	(200.96)	-
Proceeds from Borrowings	(235.48)	-
Proceeds from Issue of Equity Shares (include share application money)	-	75,000.00
Net Cash flow (used in)/ from Financing Activities (C)	(436.44)	75,000.00
Net Increase in Cash and Cash Equivalents (A+B+C)	327.04	75.19
Cash and Cash Equivalents as at the beginning of the year	106.56	31.37
Adjustment pursuant to the composite scheme of Amalgamation and Arrangement (Refer Note 38)	(90.51)	-
Cash and Cash Equivalents as at the end of the year	343.09	106.56
Net Increase in Cash and Cash Equivalents	327.04	75.19

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

Notes to Accounts

1. Corporate Information

Future Ventures India Limited ("Company") is part of Future Group and its vision is to create, build, acquire, and invest in and operate innovative and emerging businesses in India's rapidly growing "consumption-led" sectors. This sector is highly dependent on the growing purchasing power of Indian consumers and their changing tastes, lifestyle and spending habits. Vision is achieved through operational control or influence in the business ventures that the company promotes or in which it acquires interest in. It also engages in operationally managing and strategically mentoring these businesses.

The Company was incorporated on 10th July, 1996, as a Private Limited Company and became a Public Limited Company with effect from 7th September, 2007. The shares of the Company were listed in the National Stock Exchange and Bombay Stock Exchange on 10th May, 2011. The Company is regulated by the RBI as a non-deposit taking Non-Banking Financial Company (NBFC).

During the year, the management of Future Group reorganized their businesses in order to consolidate the food and fashion businesses through two separate Composite Scheme of Amalgamation and Arrangement ("the Schemes") which were sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated 10th May, 2013 (Refer Note 38 for further details about the Scheme). As a result of the reorganization as stated above, the Company has become an entity, engaged in operating Food and FMCG outlets and distribution in Urban and Rural areas with its own branded products in addition to the third party brands and products, and will not be able to satisfy the norms of having the prescribed assets/income pattern otherwise required for being a Non-Banking Financial Company. The Company is in the process of carrying out the necessary formalities to surrender its Certificate of Registration with the Reserve Bank of India. Pending completion of formalities and surrendering of the Certificate of Registration, the Company has for the year, complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, as amended from time to time and guidelines issued by the Reserve Bank of India for Non-Banking Financial (Non Deposit Accepting or Holding) Companies from time to time to the extent applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy of depreciation of assets held by the company, prior to giving effect to the composite scheme of Amalgamation and Arrangement, from Written Down Value method to Straight Line Method and the impact of such change on the Loss for the year is not considered material.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

c) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories, computed on weighted average basis, comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location.

d) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprise purchase price, all direct expenses relating to the acquisition and installation and any attributable cost of bringing the asset to its working condition for the intended use.

Depreciation is calculated on a straight-line basis at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except leasehold improvement which are amortized over the lease period.

License rights for use of brands and Trademarks are amortized over a period of 25 years and 20 years respectively which is based on the terms of the license rights acquired and the economic benefits that are expected to accrue to the Company over such period.

Acquired Brand and goodwill are amortized over ten years based on the estimated useful life.

Assets individually costing ₹ 5000/- or less are depreciated fully in the year of purchase.

g) Revenue Recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer which generally coincides with delivery and are recorded net of VAT.

Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the Statement of Profit and Loss on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized. Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the same is established. Fee for services rendered and royalty income is recognized at the specific rates as per the terms of contract.

h) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates. Exchange differences arising on actual payment / realisation and year end re-instatement referred to above are recognized in the Statement of Profit and Loss.

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

i) Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Other investments are classified as long-term investments.

Cost of investment includes acquisition charges such as brokerage, fees and duties. Long-Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

If the Balance sheet of the unlisted investee company is not available for two years, shares in such companies are valued at one Rupees only which is in accordance with the prudential norms prescribed by the Reserve bank of India for non banking Financial (Non Deposit Accepting or Holding) Companies.

j) Employee Benefits

Defined Contribution Plans

The Company's contributions to Provident Fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Compensated Absences

Liability for short term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

Other short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and similar benefits which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

k) Employee Share based payments

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

l) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss as per contractual terms.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. 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 no of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

o) Taxes on income

Current tax is determined on the income for the year chargeable to tax 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 tax laws that are enacted or substantially enacted as on the balance sheet date. Where the Company has unabsorbed business loss/depreciation, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

p) Impairment of assets

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 greater of the asset's net selling price and value in use. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

q) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Share Capital

- a) The authorised, issued, subscribed and fully paid-up Share Capital comprises of equity shares.

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Authorised		
5,550,000,000(Previous year - 5,000,000,000) Equity Shares of ₹ 6/- each (Previous year – ₹ 10/- each)	333,000.00	500,000.00
1,670,000,000 (Previous year - NIL) Unclassified Shares of ₹ 10/- each	167,000.00	-
Total	500,000.00	500,000.00
Issued, Subscribed and Fully Paid-up Capital		
1,576,243,700(Previous year - 1,576,243,700) Equity Shares of ₹ 6/- each (Previous year – ₹ 10/- each) *	94,574.62	157,624.37
Shares Pending Allotment#	1,303.98	-
21,732,971 (Previous Year – Nil) Equity Shares of ₹ 6/- each		
Total	95,878.60	157,624.37

*As per the composite scheme of Amalgamation and Arrangement the Face value of an equity share is to be reduced from ₹ 10 to ₹ 6 w.e.f. the record date. The Board of Directors in their meeting held on 30th May 2013 has fixed 24th June 2013 as being the record date for this purpose.

Shares Pending Allotment represents an aggregate of 21,732,971 (Previous Year: NIL) equity shares of ₹ 10/- each (subsequently reduced to ₹ 6/- each), to be issued as fully paid-up, to the shareholders of Indus League Clothing Limited pursuant to Composite Scheme of Amalgamation and Arrangement in terms of the share swap ratio under the said scheme and therefore no consideration will be received by the Company on such shares. (Refer Note 38.A.4)

- b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
No. of Equity shares at the beginning of the year	1,576,243,700	157,624.37	826,243,700	82,624.37
Add : Shares issued pursuant to initial Public Offer	-	-	750,000,000	75,000.00
Add : Shares to be issued pursuant to the Scheme of Amalgamation and Arrangement (Refer Note 38.A.4)	21,732,971	2,173.30	-	-
No. of Equity shares at the end of the year	1,597,976,671	159,797.67	1,576,243,700	157,624.37
Reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement and to be given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May, 2013. (Refer Note 38.A.7)	-	(63,919.07)	-	-
Total	1,597,976,671	95,878.60	1,576,243,700	157,624.37

- c) Details of Shareholders holding more than 5% shares in the Company.

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	% of Holding	No of Shares	% of Holding
Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	150,000,000	9.52	150,000,000	9.52
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	142,043,000	9.01	-	-
BNP Paribas Arbitrage	140,753,144	8.93	-	-
Gargi Developers Private Limited	127,889,984	8.11	126,251,081	8.01
PIL Industries Limited	122,000,000	7.74	122,000,000	7.74
Bennett, Coleman and Company Limited	100,000,000	6.34	100,000,000	6.34
Central Departmental Stores Private Limited	95,838,700	6.08	95,838,700	6.08
Future Capital Investment Private Limited	84,106,029	5.34	-	-

d) Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of ₹ 10 subsequently reduced to ₹ 6 per share (refer Note No. 38). Each holder of equity shares is entitled to one vote per share.

In the event of repayment of capital of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

- e) As at 31st March, 2013 in terms of FVIL Employees Stock Option Plan 2011 equity shares aggregating to 18,785,000 (Previous Year- 15,085,000 equity shares) were reserved for issuance towards outstanding Employee Stock Options granted. (Refer Note 28)

4. Reserves and Surplus

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Capital Redemption Reserve:	5.20	5.20
Statutory Reserve:		
Opening Balance	338.58	338.58
Add: Transfer during the year	416.30	-
	754.88	338.58
General Reserve:	0.59	0.59
Business Restructuring Reserve:		
Arising on reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement and to be given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May, 2013 (Refer Note 38.A.7)	63,919.07	-
Less : Adjustment of Goodwill arising in the books of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer Note 38.A.7)	(63,203.56)	-
	715.51	-
Less: Transfer to Capital Reserve	(715.51)	-
	-	-
Capital Reserve:	715.51	-
Transfer from Business Restructuring Reserve pursuant to the composite Scheme of Amalgamation and Arrangement # (Refer Note 38.A.7)		
	715.51	-
Surplus/(Deficit) in Profit and Loss Account		
Opening Balance	(1,532.32)	(165.33)
Add: Current Profit/(Loss)	(1,144.81)	(1,366.99)
Less : Transfer to Statutory Reserve as per RBI Section 45 (IC)	(416.30)	-
	(3,093.43)	(1,532.32)
Total	(1,617.26)	(1,187.95)

This is, however, subject to adjustment of goodwill on giving effect to the Composite Scheme of Amalgamation and Arrangement with respect to Food Scheme which is pending before the Hon'ble High Court of Delhi for their sanction (Refer Note 38.B.3).

5. Long Term Provisions

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Provision for Gratuity (Refer Note 27)	46.60	12.06
Total	46.60	12.06

6. Short Term Borrowings

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Loans Repayable on demand		
Secured Loan		
Over Draft facility from Banks	76.98	-
Total	76.98	-

Working Capital loan of ₹ 76.98 Lakhs is secured by exclusive charge on entire present and future Current Assets of Future Consumer Enterprises Limited Business division.

7. Trade Payables

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Sundry Creditors		
- Due to Micro Enterprises and Small Enterprises*	-	-
- Dues others	4,884.61	99.86
Total	4,884.61	99.86

* As identified by management and relied upon by the auditors

8. Other Current Liabilities

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Security and Other Deposits Received	13.70	-
Statutory Remittances		
Vat Payable	34.85	-
TDS Payable	31.56	9.75
PF Payable	21.22	-
Service Tax Payable	7.60	-
Consideration payable on acquisition of investment	1,572.50	-
Total	1,681.43	9.75

9. Short Term Provisions

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Employee Benefits		
Provision for Compensated Absences	76.10	14.13
Provision for Gratuity (Refer Note 27)	5.18	1.34
Bonus and Incentives	94.67	60.00
Others		
Provision for Standard Assets	57.87	66.70
Total	233.82	142.17

Note 10
FIXED ASSETS

Description of Assets	Gross Block						Depreciation				Net Block	
	As at 1st April 2012	Additions pursuant to the composite scheme #	Deletions	Deletions pursuant to the composite scheme #	As at 31st March 2013	As at 1st April 2012	Additions pursuant to the composite scheme #	For the Period	Deletions pursuant to the composite scheme #	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013
Tangible Assets												
Land	-	2.04	-	2.04	-	-	-	-	-	-	-	-
Building	-	-	14.24	-	14.24	-	-	9.76	-	9.76	4.48	4.48
Office Equipments	15.54	64.58	107.33	8.89	120.84	6.77	21.09	3.66	20.84	6.15	114.69	114.69
Computers	25.03	476.78	227.27	17.03	257.28	21.25	379.28	27.59	375.44	38.61	218.67	218.67
Furniture and Fixtures	0.72	989.96	1,316.59	33.45	1,474.60	0.29	187.10	69.75	169.86	87.19	1,387.41	1,387.41
Vehicles	-	-	5.04	-	5.04	-	-	4.52	-	4.52	0.52	0.52
Plant and Machinery	-	475.28	275.07	10.85	261.85	-	140.28	10.53	141.52	8.56	253.29	253.29
Leasehold improvement	-	48.53	-	48.53	-	-	45.13	0.39	45.52	-	-	-
Shop Interior	-	4,105.72	7.82	19.26	-	-	1,968.78	37.67	1,996.49	-	-	-
Total	41.29	6,162.89	1,953.36	89.48	2,133.85	28.31	2,741.66	163.87	2,749.67	154.79	1,979.06	1,979.06
Intangible Assets												
TradeMark and Brand Usage Rights	-	20,442.50	5,067.37	-	20,199.04	-	2,173.14	939.34	484.46	2,628.02	17,571.02	17,571.02
Software	0.38	36.52	-	36.52	0.38	0.38	27.73	0.41	28.14	0.38	-	-
Goodwill	-	-	7,082.63	-	7,082.63	-	-	472.18	-	472.18	6,610.45	6,610.45
Total	0.38	20,479.02	12,150.00	-	27,282.05	0.38	2,200.87	1,411.93	512.60	3,100.58	24,181.47	24,181.47
Grand Total	41.67	26,641.91	14,103.36	89.48	29,415.90	28.69	4,942.53	1,575.80	3,262.27	3,255.37	26,160.53	26,160.53

Refer Note 38 A and B

Description of Assets	Gross Block						Depreciation				Net Block	
	As at 1st April 2011	Additions	Deletions	As at 31st March 2012	As at 1st April 2011	For the year	Deletions	As at 31st March 2012	As at 31st March 2012	As at 31st March 2012	As at 31st March 2012	As at 31st March 2012
Tangible Assets												
Office Equipments	15.02	0.86	0.34	15.54	5.48	1.36	0.07	6.77	8.77	8.77	8.77	8.77
Computers	24.88	0.15	-	25.03	18.73	2.52	-	21.25	3.78	3.78	3.78	3.78
Furniture and Fixtures	0.65	0.07	-	0.72	0.21	0.08	-	0.29	0.43	0.43	0.43	0.43
Total	40.55	1.08	0.34	41.29	24.42	3.96	0.07	28.31	12.98	12.98	12.98	12.98
Intangible Assets												
Software	0.38	-	-	0.38	0.38	-	-	0.38	-	-	-	-
Total	0.38	-	-	0.38	0.38	-	-	0.38	-	-	-	-
Grand Total	40.93	1.08	0.34	41.67	24.80	3.96	0.07	28.69	12.98	12.98	12.98	12.98

₹ in Lakhs

11. Non Current Investments

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
Unquoted					
i) Subsidiaries – Trade					
- In Fully paid up Equity Shares					
Aadhaar Retailing Limited	10	24,080,000	22,400,000	11,557.52	10,717.53
Indus League Clothing Limited*	10	-	28,900,863	-	43,013.37
Indus Tree Crafts Private Limited*	100	-	86,385	-	1,494.89
Future Consumer Enterprises Limited	1	11,300,000	10,050,000	223.67	16,005.00
Future Consumer Products Limited	10	900,000	900,000	2,000.00	2,000.00
Amar Chitra Katha Private Limited	1	264,057	264,057	8,198.02	8,198.02
Star and Sitara Wellness Private Limited	10	1,809,000	-	1,800.00	-
Express Retail Services Private Limited	10	93,400,000	-	6,150.29	-
- In Fully paid up Preference Shares					
Future Consumer Products Limited	100	145,000	145,000	145.00	145.00
- In 0% Optional Convertible Debentures					
Future Consumer Enterprises Limited*	100	-	2,500,000	-	2,500.00
ii) Associates – Trade					
- In Fully paid up Equity Shares					
AND Designs India limited*	10	-	882,380	-	573.15
Capital Foods Exportts Private Limited	10	1,420,892	1,420,892	8,100.07	8,100.07
BIBA Apparels Private Limited*	100	-	132,850	-	4,249.24
- In 0% Optional Convertible Debentures					
Capital Foods Exportts Private Limited	100	2,500,000	2,500,000	2,500.00	2,500.00
iii) Joint Venture – Trade					
- In Fully paid up Equity Shares					
Clarks Future Footwear Limited*	10	-	15,750,000	-	2,329.55
Holii Accessories Private Limited*	10	-	1,850,000	-	275.00
Total		135,818,949	87,782,427	40,674.57	102,100.82

* Addition / deletion pursuant to composite scheme of Amalgamation and Arrangement- Refer Note 38.A

12. Deferred Tax Asset (Net)

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Deferred tax (liabilities) / assets		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	2,759.00	-
Tax effect of items constituting deferred tax liabilities	2,759.00	-
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	52.26	8.94
Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	74.87	8.98
On difference between book balance and tax balance of fixed assets	-	0.26
Provision for Standard asset	(2.73)	21.64
Unabsorbed depreciation/Business Loss carried forward	2,634.60	-
Tax effect of items constituting deferred tax assets	2,759.00	39.82
Deferred tax (liabilities) / assets (net)	-	39.82

In absence of virtual certainty to generate future taxable income, deferred tax asset on unabsorbed depreciation/Business Loss amounting to ₹ 3,730.42 Lakhs has been recognized only to the extent of net deferred tax liability

13. Long Term Loans and Advances

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Unsecured Considered Good		
(i) Loans and advances to Employees	77.50	-
(ii) Advance Income Tax (Net of Provision ₹ 735.21 Lakhs (Previous year - ₹ 735.21 Lakhs)	725.58	204.83
(iii) Loans and Advances to Related Parties	-	200.00
(iv) Security Deposits	279.72	0.15
(v) Other Deposits	0.48	-
Total	1,083.28	404.98

14. Current Investments

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
Unquoted - Non Trade					
i) Mutual Funds					
Axis Liquid Fund - Inst. DDR	1000	-	30,018	-	300.21
Birla Sun life Floating Rate Fund-STP- DDR	100	-	600,208	-	600.33
Birla Sun life Floating Rate Fund-STP- Direct plan –DDR	100	1,080	-	1.08	-
Daiwa Liquid Fund - Inst. Plan – DDR	1000	-	52,368	-	523.95
Daiwa Liquid Fund - Regular Plan – DDR	1000	86	-	0.86	-
Edelweiss Liquid Fund – Inst. weekly Dividend	1000	-	1,587	-	15.88
Edelweiss Liquid Fund – DDR	1000	-	100,087	-	1,000.87
Edelweiss Short Term Income Fund - Dividend Reinvest	10	759,354	-	88.23	-
HDFC Liquid Fund - Prem. Plan – DDR	10	-	222,953	-	27.33
ICICI Prudential Floating Rate Plan D - DDR	100	-	21,600	-	21.61
ICICI Prudential Money Market Fund option Regular Plan DDR	100	-	300,159	-	300.19
IDFC Cash Fund - Regular Plan – DDR	1000	-	58,799	-	588.13
Kotak Floater Short Term – DDR	10	-	3,242,975	-	328.07
Kotak Floater Short Term - Direct Plan DDR	1000	10,025	-	101.41	-
Peerless Liquid Fund - Direct Plan DDR	10	2,047,019	-	204.79	-
Peerless Liquid Fund - Super Inst. DDR	10	-	3,697,929	-	369.85
Peerless Ultra Short Term Fund - Super Inst. DDR	10	-	6,243,894	-	625.31
Pramerica Liquid Fund – DDR	1000	-	38,371	-	383.74
Reliance Liquid Fund - Treasury Plan Direct DDR	1500	88	-	1.35	-
Reliance Liquidity Fund – DDR	1000	-	10,004	-	100.09
Reliance Money Manager Fund - Inst. DDR	1000	-	322	-	3.22
Religare Liquid Fund - Direct Plan DDR	1000	139	-	1.39	-
Religare Liquid Fund – DDR	1000	-	42,849	-	428.83
Religare Ultra Short Term Fund - Inst. DDR	1000	-	29,433	-	294.83

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
SBI Premier Liquid Fund - Inst. DDR	1000	-	56,867	-	570.52
SBI SHF Ultra Short term fund - inst. Plan DDR	1000	-	2,042	-	20.43
Taurus Liquid Fund - Inst. DDR	1000	-	13,008	-	130.09
Taurus Liquid Fund - Existing plan - Super Inst. DDR	1000	232	22,180	2.32	221.83
Sub Total		28,18,023	1,47,87,653	401.43	6,855.31
ii) Certificate of Deposit					
Sicom Limited.		-	-	10,000.00	20,000.00
Total		28,18,023	1,47,87,653	10,401.43	26,855.31

15. Inventories

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Traded Goods	2,957.99	-
Total	2,957.99	-

16. Trade Receivables

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Unsecured Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	-	-
Considered Doubtful	-	-
Other Trade Receivables	1,371.70	-
Total	1,371.70	-

17. Cash and Cash Equivalents

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Cash	146.19	0.03
Cheques on Hand	0.20	0.90
Balance with Scheduled Banks		
- In Current Account	189.20	105.63
In Earmarked Accounts:		
- In Margin Money Deposit Accounts #	7.50	-
Total	343.09	106.56

The Margin money deposits with remaining maturity of more than 12 months is ₹ NIL.

Of the above balances which meets the definition of cash and cash equivalent as per AS3 Cash Flow statement is ₹ 335.59 Lakhs (Prev. Year ₹ 106.56 Lakhs)

18. Short Term Loan and Advances

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Unsecured - Considered Good		
Loans and advances to employees	19.66	0.07
Inter-Corporate Deposits:		
- with Related Party	16,744.00	26,419.00
- with Others	1,000.00	-
Security Deposits	-	300.00
Balances with excise and custom and other Government Authorities	8.25	-
Other Loan and Advances	31.81	2.99
Total	17,803.72	26,722.06

19. Other Current Assets

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Interest Accrued on Deposits	339.32	457.73
Other	44.34	-
Total	383.66	457.73

20. Revenue from Operations

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Sale of Products	30,440.98	-
Less : Excise Duty	(70.14)	-
	30,370.84	-
Gain on Sale of current Investment	3.29	21.97
Interest Income		
- On Bank Deposits/other Deposit	1,810.55	1,949.80
- Inter Corporate Deposit and Other	2,806.89	2,877.94
Dividend Income	268.92	676.07
Royalty Income	146.13	-
Other Operating Income	362.89	-
Total	35,769.51	5,525.78

21. Other Income

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Lease Rental Income	1.58	-
Interest on Income tax Refund	5.97	5.94
Sundry Creditors Written back	7.29	-
Provision for Standard Assets written back	8.83	-
Miscellaneous Income	3.74	-
Total	27.41	5.94

22. Cost of Material Consumed

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Opening Stock of Raw Materials	-	-
Add: Transfer into the Company from demerged undertaking of ILCL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	5,331.88	-
Add: Purchases	1,954.69	-
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	(6,099.99)	-
Total	1,186.58	-

23 Changes in Inventories of Work in Progress , Finished Goods and Stock In trade

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Opening Stock of Work In Progress	-	-
Add: Transfer into the Company from demerged undertaking of ILCL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	952.34	-
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	(1,230.93)	-
	(278.59)	-
Opening Stock of Finished Goods	-	-
Add: Transfer into the Company from demerged undertaking of ILCL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	5,909.18	-
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	(5,972.12)	-
	(62.94)	-
Opening Stock of Traded Goods	-	-
Add: Transfer into the Company from demerged undertaking of FCEL and LCIL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	1,131.14	-
Less: Transfer from Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	(331.14)	-
Closing Stock of Traded Goods	(2,957.99)	-
	(2,157.99)	-
Total	(2,499.52)	-

24. Employee Benefits Expenses

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Salaries Wages and Bonus	2,691.40	663.81
Contribution to Provident and Other Funds	107.97	18.74
Staff Welfare Expenses	100.06	35.92
Total	2,899.43	718.47

25. Finance Cost

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Interest on		
- Working Capital Loans	182.24	-
- Others	18.72	-
Total	200.96	-

26. Other Expenses

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Rent	1,027.98	82.43
Warehousing and Distribution Expenses	1,275.94	-
Manufacturing Expenses	246.65	-
Power, Water and Fuel	27.63	-
Advertisement, Publicity and Selling expenses (includes Free samples)	309.27	367.67
Repairs and Maintenance others	41.46	0.56
Legal and Professional Charges	372.35	266.99
Advisory and Mentoring Fees	1,125.00	1,500.00
Rates and Taxes	12.14	0.22
Insurance	8.09	0.36
Auditor's Remuneration (Refer Note 26A)	37.74	43.29
Directors Sitting Fees	7.81	10.20
Loss on Sale/Retirement of Fixed Assets	52.21	0.05
Loss on Exchange Fluctuation	0.01	0.04
Brand Royalty	720.77	145.30
Provision for Standard Assets	-	49.96
Miscellaneous Expenses	1,140.67	86.97
Total	6,405.72	2,554.04

26A. Auditor's Remuneration included in "Other Expenses"

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Audit Fees	20.79	14.00
Taxation Matters	1.12	1.00
Other Services	9.78	19.90
Out of Pocket Expenses (Including taxes and Levies)	6.05	8.39
Total	37.74	43.29

27. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded. The details of actuarial valuation as on 31st March, 2013 are given below:

Particulars	For the Year Ended 31st March 2013 ₹ In Lakhs	For the Year Ended 31st March 2012 ₹ In Lakhs
Net Employee benefit expenses (recognized in Employee cost)		
Current Service Cost	47.98	6.63
Interest cost on benefit obligation	3.45	0.55
Benefits Settled	(10.95)	-
Actuarial (Gain)/Loss	(7.18)	(0.61)
Net benefit Expenses	33.30	6.57
Amounts recognised in Balance sheet		
Closing Defined Benefit obligation	(51.78)	(13.40)
Closing Fair Value of Plan Assets	-	-
Unfunded Net assets/(Liability) recognised in the Balance Sheet	(51.78)	(13.40)
Change in the present value of the defined benefit obligation are as follows:		
Obligation at period beginning	13.40	6.83
Add: Adjustment on merger	5.08	-
Current service cost	47.98	6.63
Interest on defined Obligation	3.45	0.55
Benefits paid	(10.95)	-
Actuarial (Gain)/ Losses on obligation	(7.18)	(0.61)
Obligation at period end	51.78	13.40
Assumptions		
Interest Rate	8.00%	8.00%
Salary Increase	5.00%	6.00%
Attrition Rate	1%	1%
Retirement Age	58 Years	58 Years

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors. The disclosure requirement with regard to composition of investments in the Fair Value of Plan assets is not applicable as the liability is not funded. Disclosure relating to experience adjustments has not been provided in the absence of relevant information.

28. Employee Stock Option Plan

The Board at its meeting held on 12th July, 2010, has approved issue of Stock Options up to a maximum of 50,000,000 Equity Shares, with a ceiling of upto 1% of the paid-up equity share capital in any financial year subject to the approval of the shareholders under Section 81 (1A) of the Companies Act, 1956. The Shareholders of the Company at the Annual General Meeting held on 10th August, 2010 approved the aforesaid issue of 50,000,000 Equity Shares of the Company under one or more Employee Stock Option Scheme(s). Post listing of the Company, the Shareholders have ratified the pre-IPO scheme.

The Compensation and Nomination Committee has approved the following grants to certain directors and employees of the Company and some of its Subsidiaries in accordance with the FVIL Employees Stock Option Plan 2011 (ESOP Scheme):

Particulars	Grant 1	Grant 2	Grant 3
Date of Grant	27th Mar'11	14th Feb'12	9th Nov'12
Exercise Price	₹ 10 per Option*	₹ 10 per Option*	₹ 10 per Option*
Vesting Commences on	27th Mar'12	14th Feb'13	9th Nov'13
Options outstanding at the beginning of the year			
- Vested	3,909,000	NIL	NIL
-Yet to Vested	9,121,000	2,055,000	4,200,000
Options Vested	3,909,000	466,500	NIL
Options Granted	NIL	NIL	NIL
Options Exercised	NIL	NIL	NIL
Options Forfeited/Lapsed	NIL	500,000	NIL
Options outstanding at the end of the year			
- Vested	7,818,000	466,500	NIL
-Yet to Vested	5,212,000	1,088,500	4,200,000

Pursuant to the scheme of arrangement necessary adjustments to the ESOP scheme will be carried out in the manner as may be decided by the Board of Directors or its committee.

*Reduced to ₹ 6 per option consequent to reduction in face value of equity shares.

Deferred Stock Compensation Expense:

As the exercise price has been fixed at fair value as on date of grant, there is no compensation cost which needs to be amortized over the vesting period of the stock option.

Fair Value Methodology

The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.

The key assumptions used in the Black-Scholes model for calculating the fair value as on the date of the grants are:

Particulars	Grant 1	Grant 2	Grant 3
Vesting Date	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%
Risk-Free Interest Rate (Average)	7.79%	8.27%	8.14%
Expected Life (Years)	2.50 Years	2.50 Years	2.50 Years
Expected volatility of Share Price (%)	Since the company is unlisted, zero volatility has been considered	29.07%	27.42%
Dividend Yield (%)	The company has not declared dividend, hence dividend has not been considered	The company has not declared dividend, hence dividend has not been considered	The company has not declared dividend, hence dividend has not been considered
Price of the underlying share at the time of option	₹ 10 each	₹ 8.75	₹ 9.90
Fair Value of the Option	₹ 2.36 each	₹ 3.22 each	₹ 4.03 each

Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the proforma amounts indicated below:

Impact on Net Profit

Particulars	₹ In Lakhs
Net Loss (As reported)	(1,144.81)
Add: Stock based employee compensation expense included in net profit	NIL
Less: Stock based compensation expense determined under fair value based method (Proforma)	(150.74)
Net Loss (Proforma)	(1,295.55)

Impact on Earnings per Share:

Particulars	₹ per share
Basic Earnings per Share (As reported)	(0.07)
Basic Earnings per Share (Proforma)	(0.08)
Diluted Earnings per Share (As reported)	(0.07)
Diluted Earnings per Share (Proforma)	(0.08)

29. Segment Reporting

In accordance with paragraph 4 of Accounting Standard 17 – Segment Reporting, segment information has been presented only on the basis of the consolidated financial statements.

30. Earnings Per Share

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment

Particulars	As at 31st March 2013	As at 31st March 2012
Loss for the year (₹ In Lakhs)	(1,144.81)	(1,366.99)
No. of equity shares at the beginning of the year	1,576,243,700	826,243,700
No. of equity shares at the end of the year	1,597,976,671	1,576,243,700
Weighted average number of shares outstanding during the year	1,583,448,329	1,506,571,569
Basic and Diluted Earnings per share	(0.07)	(0.09)

The Company has issued employee stock options during the year which on exercise, will result into issuance of equity shares. However, as per the term of the stock option scheme, exercise price is same as the average fair value of the shares during the year. Therefore, these potential shares are considered to be anti-dilutive and accordingly, they are not considered in the computation of diluted earnings per share. Hence the basic and diluted earnings per share are the same.

31. Utilisation of IPO Funds

Particulars	Amount as per Prospectus ₹ in lakhs	Revised Amount* ₹ in lakhs	Amount Utilized As at 31st March 2013 ₹ in lakhs
(a) To create, build, invest in or acquire, and operate Business Ventures	53,135.56	53,739.82	46,165.93
(b) For General corporate purpose	17,711.85	17,711.85	17,711.85
(c) Issue Related Expenses	4,152.59	3,548.33	3,548.33
Total	75,000.00	75,000.00	67,426.11

* The un-utilised Fund of "Issue Related Expenses" amounting to ₹ 604.26 Lakhs has been allotted towards the object "To create, build, invest in or acquire, and operate Business Ventures" as disclosed in prospectus vide resolution passed by the Shareholders at the Extra Ordinary Meeting held on 4th March, 2013.

Pending utilization of the full proceeds of the issue, the funds are temporarily invested /held in various Mutual Funds, Certificate of Deposits, Inter Corporate Deposits and Company's Bank Accounts.

32. Certain subsidiaries of the Company have incurred losses resulting in erosion of their network. These companies are in the process of building respective businesses/brands and creating substantial value. The management is fully committed to lead to profitability by providing the necessary financial support and mentoring. Therefore, in the opinion of the management, the diminutions in the value of the said investment are temporary in nature and consequently, no adjustment is considered necessary to the carrying value of investment.

33. Related Party Disclosures

A. Names of Related Parties and Nature of Relationship

(as identified by the management and relied upon by the auditors)

1. Subsidiary Companies

- i. Aadhaar Retailing Limited
- ii. Indus League Clothing Limited (Upto 31st December,2012)
- iii. Lee Cooper (India) Limited (Subsidiary of Indus League Clothing Limited) (Up to 30th November,2012)
- iv. Indus Tree Crafts Private Limited (Up to 31st December,2012)
- v. Indus Tree Producer Transform Private Limited (Subsidiary of Indus Tree Craft Private Limited) (Up to 31st December,2012)
- vi. Future Consumer Products Limited
- vii. Amar Chitra Katha Private Limited
- viii. India Books and Magazines Distributors Private Limited (Subsidiary of Amar Chitra Katha)
- ix. ACK Edutainment Limited (formerly known as ACK Edutainment Private Limited) (Subsidiary of Amar Chitra Katha)
- x. ACK Eaglemoss Collectibles Publishing Private Limited (Subsidiary of Amar Chitra Katha)
- xi. ACK Media Direct Private Limited (Subsidiary of Amar Chitra Katha)
- xii. Karadi Tales Company Private Limited (Subsidiary of Amar Chitra Katha)
- xiii. Ideas Box Entertainment Limited (formerly known as Ideas Box Entertainment Private Limited) (Subsidiary of Amar Chitra Katha)
- xiv. Express Retail Services Private Limited (With effect From 15th September,2012)
- xv. Think Fresh International Private Limited (Subsidiary of Express Retail Services Private Limited) (With effect From 15th September,2012)
- xvi. Star and Sitara Wellness Private Limited (With effect From 12th September,2012)
- xvii. Future Consumer Enterprises Limited

2. Associates

- i. And Designs India Limited (Up to 31st December,2012)
- ii. Capital Foods Exportts Private Limited
- iii. Integrated Food Park Private Limited (Subsidiary of Capital Foods Exportts Private Limited)
- iv. Turtle Limited (Up to 31st December,2012) (Associate of Indus League Clothing Limited)
- v. Biba Apparels Private Limited (Up to 31st December,2012)
- vi. Karadi Path Education Company Private Limited (Associate of Amar Chitra Katha)

3. Joint Ventures

- i. Holii Accessories Private Limited (Up to 31st December,2012)
- ii. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited)(Up to 31st December,2012)
- iii. Clarks Future Footwear Limited (Up to 31st December,2012)

4. Enterprises over which key management personnel can exercise control/ significant influence

- i. Akar Estate Finance Private Limited
- ii. Anchor Residency Private Limited (Formerly known as “Anchor Malls Private Limited”)
- iii. Asian Retail Lighting Limited
- iv. Bansi Mall Management Co Private Limited
- v. DMA Yellow Works Limited
- vi. ESES Commercial Private Limited
- vii. Fashion Global Retail Limited
- viii. FSC Brand Distribution Services Limited
- ix. Future Agroviet Limited
- x. Future Brands Limited
- xi. Future Corporate Resources Limited
- xii. Future E Commerce Infrastructure Limited
- xiii. Future Ventures Employee Welfare Trust
- xiv. Future Human Development Limited
- xv. Future Ideas Company Limited
- xvi. Future Ideas Realtors India Limited
- xvii. Future Knowledge Services Limited
- xviii. Future Lifestyle Fashion Limited
- xix. Future Outdoor Media Solutions Limited
- xx. Future Retail Limited (formerly Pantaloon Retail (India) Limited)
- xxi. Future Supply Chain Solutions Limited
- xxii. Future Value Retail Limited
- xxiii. Idiom Design and Consulting Limited
- xxiv. Manz Retail Private Limited
- xxv. Nufuture Digital (India) Limited
- xxvi. nuFuture Haribhakti Business Services Limited
- xxvii. PRTL Enterprises Limited
- xxviii. Staples Future Office Products Private Limited
- xxix. Suhani Trading and Investment Consultants Private Limited
- xxx. Vayuputra Realty Private Limited
- xxxi. Weavette Textstyles Limited

5. Key Management Personnel

- i. Kishore Biyani - Managing Director

B. Transactions with Related Parties

₹ in Lakhs

Nature of transactions	Subsidiary	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Management Personnel
Purchase of Investments (Equity Shares)	2,639.00 (6,064.79)	- (3,500.00)	350.00 (100.00)	- (2,325.00)	- -
Purchase of Investments (Preference Shares)	- (145.00)	- -	- -	- -	- -
Purchase of Investments (Optional Convertible Debentures)	2,500.00 (4,500.00)	- (2,500.00)	- -	- -	- -
Loans and Advances given	- -	- -	- -	- (861.00)	- -
Sale of Investments (Equity Shares)	44,508.26 -	4,822.38 -	2,954.55 -	- -	- -
Sale of Investments (Optional Convertible Debentures)	2,500.00 -	- -	- -	- -	- -
Inter Corporate Deposits Given	23,725.00 (51,670.00)	15,494.00 (29,827.00)	500.00 (1,800.00)	12,285.00 (31,727.00)	- -
Loans and Advances Received back	- -	- -	- -	- (661.00)	- -
Inter Corporate Deposits Repaid	20,860.00 (47,255.00)	17,232.00 (24,680.00)	530.00 (1,700.00)	20,637.00 (22,016.60)	- -
Net Transfer of Assets and Liabilities into the Company pursuant to the scheme of Amalgamation and Arrangement (Refer Note – 38)	33,868.60 -	- -	- -	- -	- -
Net Transfer of Assets and Liabilities from the Company pursuant to the scheme of Amalgamation and Arrangement (Refer Note – 38)	- -	- -	- -	61,399.75 -	- -
Interest Income	628.01 (1,235.08)	518.51 (641.05)	17.02 (14.28)	1,274.06 (987.54)	- -
Rent Income	- -	- -	2.46 -	- -	- -
Royalty Income	- -	- -	- -	147.96 -	- -
Sales	2,573.65 -	- -	- -	11,427.43 -	- -
Dividend Income	- -	49.99 (23.73)	- -	- -	- -
Purchase of traded goods	244.70 -	32.68 -	- -	8,686.64 -	- -

₹ in Lakhs

Nature of transactions	Subsidiary	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Management Personnel
Managerial Remuneration	-	-	-	-	53.76
	-	-	-	-	(17.92)
Warehousing and Transportation Expenses	-	-	-	857.42	-
	-	-	-	-	-
Reimbursement of Expenses and Other Expenses	-	-	-	3.62	-
	-	(7.95)	(0.09)	(7.54)	-
Rent Expenses	-	-	-	56.67	-
	-	-	-	(4.99)	-
Mentoring and Advisory Fees	-	-	-	1,125.00	-
	-	-	-	(1,500.00)	-
Royalty Expenses	143.06	-	-	453.48	-
	-	-	-	(137.88)	-
Legal and Professional Fees	-	-	-	99.31	-
	-	-	-	-	-
Advertisement Expenses	-	-	-	124.38	-
	-	-	-	(657.26)	-
Purchase of Fixed Assets	0.31	-	-	0.68	-
	-	-	-	-	-
Interest Receivable	83.76	53.22	-	232.14	-
	(81.11)	(74.81)	(0.31)	(106.42)	-
Trade Receivable	705.33	-	-	-	-
	-	-	-	-	-
Other Receivables	-	-	-	694.24	-
	-	-	-	(0.31)	-
ICDs Outstanding	3,335.00	2,774.00	-	9,185.00	-
	(5,820.00)	(5,562.00)	(100.00)	(14,937.00)	-
Loans and Advances Outstanding	-	-	-	310.00	-
	-	-	-	(200.00)	-
Trade Payables	22.29	17.58	-	-	-
	-	-	-	-	-
Other Payables	-	-	-	1,889.18	-
	-	-	-	-	-

Notes:

- i. Figures in bracket represent previous year's figures.

C. Disclosure in respect of Material Transactions with Related Parties

₹ in Lakhs

Type of Transactions	Particulars	2012-13	2011-12
Purchase of Investments (Equity Shares)	Indus League Clothing Limited	-	1,174.38
	Aadhaar Retailing Limited	840.00	2,100.00
	Amar Chitra Katha Private Limited	-	2,253.11
	Pantaloon Industries Limited	-	2,325.00
	Capital Foods Exportts Private Limited	-	3,500.00
	Star and Sitara Wellness Private Limited	1,799.00	-
Purchase of Investments (Preference Shares)	Future Consumer Products Limited	-	145.00
Purchase of Investments (Optional Convertible Debentures)	Indus League Clothing Limited	2,500.00	-
	Aadhaar Retailing Limited	-	2,000.00
	Future Consumer Enterprises Limited	-	2,500.00
	Capital Foods Exportts Private Limited	-	2,500.00
Sale of Investments (Equity Shares)	Indus League Clothing Limited	43,013.37	-
Sale of Investments (Optional Convertible Debentures)	Indus League Clothing Limited	2,500.00	-
Loans and Advances Given	Future Venture Employee Welfare Trust	-	861.00
Inter Corporate Deposits Given	Indus League Clothing Limited	12,860.00	37,085.00
	Integrated Food Park Private Limited	5,379.00	-
Loans and Advances Received	Future Venture Employee Welfare Trust	-	661.00
Inter Corporate Deposits Received Back	Indus League Clothing Limited	11,360.00	34,860.00
Net Transfer of Assets and Liabilities into the Company pursuant to the scheme of Amalgamation and Arrangement (Refer Note – 38)	Future Consumer Enterprises Limited	15,977.52	-
	Indus League Clothing Limited	12,181.11	-
	Lee Cooper (India) Limited	5,709.97	-
Net Transfer of Assets and Liabilities from the Company pursuant to the scheme of Amalgamation and Arrangement (Refer Note – 38)	Future Lifestyle Fashion Limited	61,399.75	-
Dividend Income	And Design India Limited	22.06	4.41
	Biba Apparels Private Limited	27.93	19.32
Interest Income	Indus League Clothing Limited	-	856.63
Royalty Income	Future Retail Limited (formerly Pantaloon Retail (India) Limited)	69.29	-
	Future Value Retail Limited	78.67	-
	Mr. Kishore Biyani	53.76	17.92
Managerial Remuneration	Mr. Kishore Biyani	53.76	17.92
Rent Income	Celio Future Fashion Limited	2.46	-
Sales	Express Retail Services Private Limited	1,995.74	-
	Future Value Retail Limited	10,711.23	-
Purchases	Future Agrovet Limited	7,849.55	-
Warehousing and Transportation Expenses	Future Supply Chain Solutions Limited	857.42	-
Reimbursement of Expenses and Other Expenses	Future Ideas Company Limited	0.99	NA
	Future Value Retail Limited	2.21	-
	Integrated Food Park Private Limited	-	7.95
	Future Generali India Life Insurance Company Limited	-	2.72
	Future Generali India Insurance Company Limited	-	2.68

₹ in Lakhs

Type of Transactions	Particulars	2012-13	2011-12
Rent Expenses	Future Finance Limited	-	4.99
	Future Retail Limited (formerly Pantaloon Retail (India) Limited)	56.67	-
Mentoring and Advisory Fees	Future Corporate Resources Limited	270.00	360.00
	Future Retail Limited (formerly Pantaloon Retail (India) Limited)	855.00	1,140.00
Brand Royalty	Future Ideas Company Limited	175.28	137.88
	Future Consumer Products Limited	143.06	-
	Future Brands Limited	278.20	-
Legal and Professional Fees	NuFuture Digital (India) Limited	30.24	-
	nuFuture Haribhakti Business Services Limited	48.46	-
Purchase of Fixed Assets	Future Retail Limited (formerly Pantaloon Retail (India) Limited)	0.68	-
	Aadhaar Retailing Limited	0.31	-
Advertisement Expenses	Future Corporate Resources Limited	123.63	-
Interest Receivable	Aadhaar Retailing Limited	47.99	37.97
	Integrated Food Park Private Limited	NA	58.47
	Lee Cooper (India) Limited	NA	NA
	Future Lifestyle Fashions Limited	128.57	NA
Other Receivables	Future Generali India Life Insurance Company Limited	-	0.05
	Future Generali India Insurance Company Limited	-	0.27
	Future Value Retail Limited	683.46	-
Trade Receivables	Express Retail Services Private Limited	443.02	-
	Aadhaar Retailing Limited	262.31	-
Trade Payables	Future Consumer Products Limited	22.29	-
	Capital Foods Exports Private Limited	17.58	-
Other Payables	Future Agrovet Limited	1,314.76	-
	Future Supply Chain Solutions Limited	293.58	-
ICDs Outstanding	Aadhaar Retailing Limited.	1,780.00	-
	Future Lifestyle Fashions Limited	4,900.00	-
	Integrated Food Park Private Limited	1,809.00	-
	Weavette Textstyles Limited	2,390.00	-
	Fashion Global Retail Limited	1,895.00	-
Loans and Advances Outstanding	Future Venture Employee Welfare Trust	310.00	200.00

34. Foreign Currency Expenditure

Particulars	For the Year ended 31st March 2013 ₹ In Lakhs	For the Year ended 31st March 2012 ₹ In Lakhs
Travelling and Conveyance Expenses	3.08	1.79
Legal and Professional Fees	44.83	6.69
Royalty	74.54	-
Total	122.45	8.48

35. CIF Value of Imports

Particulars	For the Year ended 31st March 2013 ₹ In Lakhs	For the Year ended 31st March 2012 ₹ In Lakhs
Traded Goods	27.23	NA
Total	27.23	-

36. Manufactured and Traded Goods Details (Inclusive of Excise duty and Sales Tax)

Particulars	Purchases For the Year ended 31st March 2013 ₹ In Lakhs	Sales For the Year ended 31st March 2013 ₹ In Lakhs
FMCG	14,191.93	15,401.33
Others	12,941.01	15,039.65
Total	27,132.94	30,440.98

37. Contingent Liabilities

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Corporate Guarantees issued to Bank	3,900.00	3,900.00
Bank Guarantees	28.00	-
Disputed Income Tax Demand	51.80	113.20
Bill Discounting	292.37	-
Total	4,272.17	4,013.20

No provision is presently considered necessary for Income tax demands aggregating to ₹ 51.80 Lakhs (Previous Year ₹ 113.20 Lakhs) which are under various stages of appeal as the Company is of the view that the said demands are not sustainable in law.

38. Composite scheme of Amalgamation and Arrangement

A. A composite scheme of Amalgamation and Arrangement (hereinafter referred as "Fashion Scheme") between the Company, Indus League Clothing Limited ("ILCL"), Lee Cooper (India) Limited ("LEE"), Pantaloon Retail (India) Limited ("PRIL") (now known as "Future Retail Limited"), and Future Lifestyle Fashion Limited ("FLFL") and their respective shareholders and creditors has been sanctioned by Hon'ble Bombay High Court vide its order dated 10th May, 2013. As the relevant appointed dates from which the arrangements under the scheme are effective fall within the Financial Year As at 31st March 2013 the said scheme has been given effect to in these financial statements.

Pursuant to the said "Fashion scheme":

1. The entire business and undertaking of ILCL relating to its Fashion business and related activities (ILCL demerged undertaking) stand transferred to and vested in the Company as a going concern w.e.f. 1st December, 2012.
2. The entire business and undertaking of LEE (the Amalgamating Company) stand transferred to and vested in the Company as a going concern w.e.f. 1st December, 2012.
3. The entire business and undertaking of fashion business of the Company (FVIL demerged undertaking) stand transferred to and vested in FLFL as a going concern w.e.f. 1st January, 2013.
4. In consideration of the transfer of ILCL demerged undertaking to the Company the minority shareholders of ILCL have to be issued and allotted 2,17,32,971 fully paid equity share of ₹ 10 each in the Company against 14,27,364 shares held by them.
5. The entire share capital of LEE is held by ILCL and consequently pursuant to the transfer of ILCL demerged undertaking, the entire capital of LEE (which forms part of ILCL demerged undertaking) will be held by the Company, no shares or consideration is to be issued / payable by the Company.

6. In consideration of the transfer of FVIL demerged undertaking to FLFL, equity shareholders of the Company have to be issued and allotted 1 (One) equity share of ₹ 2/- each of FLFL fully paid up for every 31 (thirty one) fully paid up equity shares of the Company held by them.
7. As an integral part of the scheme the face value of shares held by shareholders of the Company stands reduced from ₹ 10 to ₹ 6 each. Pursuant to the above, an amount of ₹ 63,919.07 Lakhs has been credited to Business Restructuring Reserve and has been set off against the goodwill aggregating to ₹ 63,203.56 Lakhs arising in the books of the Company pursuant to the Fashion scheme referred above and food scheme referred in 38 B below. The balance amount of ₹ 715.51 Lakhs remaining in the Business Restructuring Reserve has been transferred to Capital Reserve which shall be subject to adjustment of goodwill on giving effect to the Composite Scheme of Amalgamation and Arrangement with respect to Food Scheme which is pending before the Hon'ble High Court of Delhi for their sanction (Refer Note 38B(3)).

B. A composite scheme of Amalgamation and Arrangement (hereinafter referred as "Food Scheme") between the Company, Future Consumer Enterprise Limited ("FCEL"), Express Retail Services Private Limited ("ERSPL"), and Think Fresh International Private Limited ("TFIPL") and their respective shareholders and creditors has been sanctioned by Hon'ble Bombay High Court vide its order dated 10th May, 2013. As the relevant appointed date from which the arrangement under the scheme are effective fall in the Financial Year As at 31st March 2013 the said scheme has been given effect to in the financial statements.

Pursuant to the said "Food scheme":

1. The entire business and undertaking of FCEL relating to Consumer Goods business and related activities (FCEL demerged undertaking) stand transferred to and vested in the Company as a going concern w.e.f. 1st April, 2012.
2. Since the entire share capital of FCEL is held by the Company, no shares or consideration is to be issued / payable by the Company.
3. The other part of the scheme relating to transfer of entire business and undertaking relating to food business of ERSPL to the Company as a going concern and transfer of entire business and undertaking of TFIPL to the Company as a going concern is pending for sanction by Hon'ble High Court of Delhi. The scheme will be given effect to in the books with effect from 15th September, 2012, being the appointed date upon receipt of sanction of the said part of the scheme from Hon'ble High Court of Delhi and on completion of other regulatory formalities.

C. Disclosures relating to Amalgamation of Lee with the Company as required under AS 14:

Pursuant to the composite scheme of Amalgamation and Arrangement as explained in Para 38 A, the entire business and undertaking of LEE (the Amalgamating Company) stand transferred to and vested in the Company as a going concern w.e.f. 1st December, 2012. The accounting for this arrangement was done as per the scheme sanctioned by the Hon'ble Bombay High Court vide its order dated 10th May, 2013 and the same has been given effect to as under:

1. Lee is engaged in the business of manufacturing and retailing of lifestyle products ,including denims, trousers , jackets , shirts and shoe under the "Lee Cooper Brand"
2. The Amalgamation has been accounted under the Purchase Method.
3. The entire assets and liabilities of LEE (the Amalgamating Company) has been accounted in the books of the Company at their respective fair values.
4. Since the entire share capital of LEE is held by ILCL and consequently pursuant to the transfer of ILCL demerged undertaking, the entire capital of LEE will be held by FVIL, no shares or consideration is to be issued / payable by the Company.
5. The difference between the value of assets net of liabilities of LEE and the value of investments in Lee held by the Company amounting to ₹ 209.97 Lakhs has been credited to Capital reserve. This amount is set-off against goodwill referred in Para 38A7 above.

39. Disclosure of Loans and Advances / Investments as per Clause 32 of the Listing Agreement

₹ In Lakhs

Name of the Company	As at 31st March 2013	
	Outstanding Loan Amount	Maximum Loan Amount outstanding
Subsidiaries		
Aadhaar Retailing Limited.	1,780.00	2,420.00
Amar Chitra Katha Private Limited	750.00	850.00
Express Retail Services Private Limited	680.00	1,500.00
Star and Sitara Wellness Private Limited	125.00	125.00
Total	3,335.00	4,895.00
Associates		
Capital Foods Exportts Private Limited	965.00	1,490.00
Integrated Food Park Private Limited	1809.00	2,600.00
Total	2,774.00	4,090.00

40. Details of leasing arrangements:

The Company has entered into cancellable operating lease arrangement for its stores and office premises. Operating lease rentals charged to revenue aggregate to ₹1027.98 Lakhs.

41. In view of the reorganisation of the businesses by the Future Group and pursuant to the composite scheme of Amalgamation and Arrangement, as sanctioned by the Hon'ble High Court, as referred in Note 1 above, the Company has become an operating entity, engaged predominantly in operating Food and FMCG outlets and distribution business. Accordingly, the Company now has operating income from activities which are not financial activities and hence is not able to satisfy the norms of having the prescribed assets/income pattern otherwise required for being a Non-Banking Financial Company. The Company has intimated about the same to the Reserve Bank of India and pending completion of formalities and surrendering of the Certificate of Registration, the Company has for the year, complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. However, no disclosures pursuant to Reserve Bank of India Notification DNBS.193DG (VL) - 2007 dated 22nd February, 2007 (Para 13 Disclosure) and Notification DNBS.200/CGM (PK) 2008 dated 1st August, 2008 (CRAR Disclosure) have been made in these financial statements as they are no longer pertinent.
42. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The results for the current year includes the operations of demerged undertaking of Future Consumer Enterprises Limited with effect from 1st April, 2012 and the demerged undertaking of Indus League (ILCL) and entire business undertaking of Lee Cooper (LEE) for one month as more explained in detail in Note 38. In view of this, the results for the current year are not comparable with those of the corresponding previous year.

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

G.N.Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head – Legal

Gopal Bihani
Vice President - Finance

Place: Mumbai
Date: 30th May, 2013

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF FUTURE VENTURES INDIA LIMITED.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **FUTURE VENTURES INDIA LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

7. We did not audit the financial statements of 17 subsidiaries (including sub-subsidiaries) and 3 jointly controlled entities, whose financial statements reflect total assets (net) of Rs. 18,018.04 Lakhs as at 31st March 2013, total revenues of Rs.61,123.95 Lakhs and net cash flows amounting to Rs. (1,700.36) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 945.51 Lakhs for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership No. 19521)

Mumbai, 30th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	4	95,878.60	157,624.37
Reserves and Surplus	5	(12,932.62)	(13,870.64)
Minority Interest		2,090.95	3,794.64
Non Current Liabilities			
a) Long Term Borrowings	6	0.49	1,866.97
b) Deferred Tax Liability (Net)	15	0.27	-
c) Other Long Term Liabilities	7	60.47	244.41
d) Long Term Provisions	8	81.11	118.25
		142.34	2,229.63
Current Liabilities			
a) Short Term Borrowings	9	76.98	16,591.19
b) Trade Payables	10	9,197.56	14,328.17
c) Other Current Liabilities	11	2,254.59	1,808.30
d) Short Term Provisions	12	322.09	605.39
		11,851.22	33,333.05
Total		97,030.49	183,111.05
Assets			
Non Current Assets			
a) Fixed Assets (Net Block) :-	13		
(i) Tangible Assets		6,614.68	7,648.00
(ii) Intangible Assets		28,624.62	17,799.08
		35,239.30	25,447.08
(iii) Capital Work-in-Progress (Includes Proportionate share in Joint Venture ₹ Nil (Previous Year - ₹ 36.80 Lakhs)		4.82	178.97
(iv) Intangible Assets under development		547.55	403.54
		35,791.67	26,029.59
b) Goodwill on Consolidation	2.A.j	11,888.72	39,428.71
c) Non-Current Investments	14	11,378.32	19,846.86
d) Deferred Tax Asset (Net)	15	-	144.51
e) Long Term Loan and Advances	16	1,638.90	4,313.58
f) Other Non Current Assets	17	21.19	24.99
		60,718.80	89,788.24
Current Assets			
a) Current Investments	18	10,401.44	29,723.76
b) Inventories	19	5,887.54	15,851.84
c) Trade Receivables	20	2,849.08	20,900.08
d) Cash and Cash Equivalents	21	904.59	2,539.38
e) Short Term Loan and Advances	22	15,936.10	23,635.68
f) Other Current Assets	23	332.94	672.07
		36,311.69	93,322.81
Total		97,030.49	183,111.05
See accompanying Notes forming part of the financial statements	1-44		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Revenue			
Revenue from Operations	24	95,929.27	85,825.43
Other Income	25	89.18	215.67
Total		96,018.45	86,041.10
Expenditure			
Cost of Material Consumed	26	11,414.40	23,704.13
Purchase of Traded Goods	27	57,379.09	37,567.83
Changes in inventories of Work In Progress, Finished Goods and Stock in Trade	28	(1,266.34)	(2,397.76)
Employee Benefit Expenses	29	9,003.00	6,487.55
Other Expenses	30	21,246.79	18,519.98
Finance Cost	31	1,688.59	2,193.79
Depreciation	13	3,727.01	2,302.73
Less: Transfer from Revaluation Reserve		(1.01)	(1.42)
		3,726.00	2,301.31
Total		103,191.53	88,376.83
(Loss) before Exceptional Items and Tax		(7,173.08)	(2,335.73)
(Loss) from continuing operations before exceptional items and tax		(5,980.31)	(2,635.17)
Less : Exceptional Items		-	3,100.30
Less : Taxation		47.99	521.94
(Loss) from continuing operations after tax		(6,028.30)	(6,257.41)
(Loss) from discontinuing operations before exceptional items and tax (Refer Note 41 D)		(1,192.77)	299.44
Less : Exceptional Items		-	222.47
Less : Taxation		434.45	358.28
(Loss) from discontinuing operations after tax		(1,627.22)	(281.31)
(Loss) after taxation before minority interest and share of associates		(7,655.52)	(6,538.72)
Add: Share of Associates Profit		906.22	1,082.35
Add: Share of Minority Interest		1,177.75	1,182.51
Add : Adjustment on Acquisition of Subsidiaries		-	97.22
Profit/(Loss) for the year		(5,571.55)	(4,176.64)
Basic and Diluted Earnings per Share (Face value ₹ 6 each (Previous year ₹ 10 each))		(0.35)	(0.28)
See accompanying Notes forming part of the financial statements	1-44		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
A. Cash Flow From Operating Activities		
Loss before tax as per Profit and Loss Account	(7,173.08)	(5,658.50)
Adjustments for :		
Depreciation	3,726.00	2,301.31
Interest and Financial Charges	1,688.59	2,193.79
Interest Income	(4,157.47)	(3,908.96)
Interest Income on Income Tax Refund	(7.61)	(5.95)
Dividend Income	(218.92)	(652.37)
(Profit)/Loss on Sale of Investments	(80.17)	(144.91)
Loss on Sale of Fixed Assets and Asset Written Off (Net)	336.84	451.68
Sundry Creditors Written Back	7.29	-
Bad Debts / Provision for Doubtful Debts and Advances	154.90	144.41
Preliminary Expenses written off	0.41	-
Provision for Gratuity	82.09	50.43
Provision for Compensated Absences	17.91	5.29
Provision for Standard Assets	(8.83)	49.96
Provision no longer required written back	-	(102.36)
Proportionate Share of Joint Venture		
- Interest Income	(1.03)	(5.88)
- Loss on Sale of Fixed Assets and Asset Written Off (Net)	34.48	10.81
- Provision no longer required written back	(0.78)	(2.77)
- Provision for Bad Debts	86.03	-
- Unrealised Loss on Foreign Exchange	220.53	118.16
	1,880.26	502.64
Operating Profit/(Loss) before Working Capital changes	(5,292.82)	(5,155.86)
Decrease / (Increase) in Inventories	(5,903.25)	(2,299.26)
Decrease / (Increase) in Trade Receivables	(6,262.85)	(643.39)
(Increase) / Decrease in Loans and Advances	4,770.84	(26,909.66)
Increase / (Decrease) in Current Liabilities and Provisions	10,719.53	(232.82)
	3,324.27	(30,085.13)
Operating Profit/(Loss) after Working Capital changes	(1968.55)	(35,240.99)
Income Taxes paid (Net of refunds)	(827.87)	(245.49)
Dividend Income - Investment	268.92	652.34
Interest Received - Investment	4,068.68	3,946.03
	3,509.73	4,352.88
Cash generated/(used in) from operations (A)	1541.18	(30,888.11)
B. Cash Flow From Investing Activities		
Proceeds from sale of Fixed assets	29.48	15.80
Purchase of Fixed Assets	(16,110.00)	(2,100.56)
Proceeds from Sale of Investments	60,221.65	149,104.60
Purchase of Investments	(48,704.95)	(197,409.73)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	For the Year Ended 31st March 2013 ₹ in Lakhs	For the Year Ended 31st March 2012 ₹ in Lakhs
Investment in / (Refund of) deposits	-	(25.17)
Interest Received - Retail	197.76	323.31
Dividend Received - Retail	-	0.03
Dividends Received from - Associates	-	39.33
Cash used in Investing Activities (B)	(4,366.06)	(50,052.39)
C. Cash Flow From Financing Activities		
Proceeds from Issue of Equity Shares	-	75,000.00
Repayment of Share Application Money by Subsidiary	-	(141.92)
Buy Back of Shares by a Subsidiary	-	(2,158.10)
Proceeds from Borrowings	2782.93	58,240.17
Repayment of Borrowings	(87.59)	(47,550.09)
Proceeds from Minority Shareholders towards Equity Shares	460.02	0.03
Payment of Share Issue Expenses by Subsidiary	-	(13.29)
Dividend Paid (Including Dividend Tax) by a Subsidiary	(19.07)	(5.32)
Interest and Finance Charges Paid	(1,684.77)	(3,394.22)
Cash generated from Financing Activities (C)	1,451.52	79,977.26
Net Decrease in Cash and Cash Equivalents (A+B+C)	(1,373.36)	(963.24)
Cash and Cash Equivalents as at the beginning of the year	2,539.38	722.27
Add: Adjustment on acquisition of subsidiary and joint venture	185.53	2,769.27
Add: Adjustment pursuant to composite scheme (Refer Note No. 41)	(446.96)	-
Cash and Cash Equivalents as at the end of the year	904.59	2,528.30
Net (Decrease) / Increase in Cash and Cash Equivalents	(1,373.36)	(963.24)
Reconciliation of cash and cash equivalents with amounts reflected in Balance Sheet:		
Cash and Cash Equivalents as above	904.59	2,528.30
Add: Bank deposits not considered as cash equivalent	-	11.08
Cash and Cash Equivalents as per Balance sheet	904.59	2,539.38

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

Notes to Accounts

1. Corporate Information

Future Ventures India Limited ("Company") is part of Future Group and its vision is to create, build, acquire, and invest in and operate innovative and emerging businesses in India's rapidly growing "consumption-led" sectors. This sector is highly dependent on the growing purchasing power of Indian consumers and their changing tastes, lifestyle and spending habits. Vision is achieved through operational control or influence in the business ventures that the company promotes or in which it acquires interest in. It also engages in operationally managing and strategically mentoring these businesses.

During the year, the management of Future Group reorganized their businesses in order to consolidate the food and fashion businesses through two separate Composite Scheme of Amalgamation and Arrangement ("the Schemes") which were sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated 10th May, 2013 (Refer Note 41 for further details about the Scheme).

2. Basis of Consolidation:

The consolidated financial statements relate to Future Ventures India Limited (the Company), its subsidiaries, joint ventures and associates.

Basis of Accounting:

- a. The financial statements of the subsidiaries, joint ventures and associates considered in the consolidation have been drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2013.

The financial statements of the Group have been prepared on accrual basis under the historical cost convention and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 as amended. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

A. Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- b. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- c. Investments in associate companies has been accounted as per the 'Equity method', as laid down in Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and accordingly, the share of profit / loss of each of the associate companies has been added to / deducted from the cost of investments.
- d. The excess of cost to the Company, of its investment in the subsidiaries and joint ventures over the Company's portion of equity is recognised in the financial statement as Goodwill. The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- e. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- f. Minority interest's share of net profit for the year in consolidated subsidiaries are identified and adjusted against the profit after tax of the group.
- g. Goodwill arising on consolidation is not amortised but tested for impairment.
- h. In case of step up investment in existing subsidiaries, share of pre-acquisition profits/losses for the year relating to incremental investments is adjusted in the Statement of Profit and Loss as "Adjustment on Acquisition of Subsidiaries".

- i. The consolidated financial statements comprise the financial statements of Future Ventures India Limited and the following companies:-

Name of the Company	Relationship	Percentage held	Percentage held	Date on which relationship came into Existence	Date on which relationship ceased
		2012-13	2011-12		
Aadhaar Retailing Limited	Subsidiary	70.00%	70.00%	27.03.2008	NA
Indus Tree Crafts Private Limited	Subsidiary	63.34%	63.34%	01.03.2010	01.01.2013*
Industree Producer Transformer Private Limited	Subsidiary of Indus Tree	100%	100%	30.06.2011	01.01.2013*
Indus League Clothing Limited	Subsidiary	95.29%	95.29%	30.01.2010	01.01.2013*
Lee Cooper (India) Limited	Subsidiary of Indus League Clothing Limited	100%	100%	30.01.2010	30.11.2012*
Celio Future Fashion Limited	Joint Venture of Indus League Clothing Limited	50%	50%	30.01.2010	01.01.2013*
Turtle Limited	Associate of Indus League Clothing Limited	26%	26%	30.01.2010	01.01.2013*
Future Consumer Enterprises Limited	Subsidiary	100%	100%	02.08.2010	NA
Future Consumer Products Limited	Subsidiary	90%	90%	29.06.2010	NA
Amar Chitra Katha Private Limited (ACK)	Subsidiary	68.12%	68.12%	30.06.2011	NA
IBH Books and Magazines Distributors Private Limited	Subsidiary of Amar Chitra Katha	100.00%	100.00%	30.06.2011	NA
ACK Edutainment Limited (formerly known as ACK Edutainment Private Limited)	Subsidiary of Amar Chitra Katha	100.00%	100.00%	30.06.2011	NA
ACK Eaglemoss Collectibles Publishing Private Limited	Subsidiary of Amar Chitra Katha	100.00%	100.00%	30.06.2011	NA
ACK Media Direct Private Limited	Subsidiary of Amar Chitra Katha	100.00%	100.00%	30.06.2011	NA
Karadi Tales Company Private Limited	Subsidiary of Amar Chitra Katha	51.00%	51.00%	30.06.2011	NA
Karadi Path Education Company Private Limited	Associate of Amar Chitra Katha	26.05%	28.00%	14.02.2012	NA
Ideas Box Entertainment Limited (formerly known as Ideas Box Entertainment Private Limited)	Subsidiary of Amar Chitra Katha	100.00%	100.00%	30.06.2011	NA
Express Retail Services Private Limited (ERSPL)	Subsidiary	100.00%	NA	15.09.2012	NA
Think Fresh International Private Limited	Subsidiary of ERSPL	100.00%	NA	15.09.2012	NA
Star and Sitara Wellness Private Limited	Subsidiary	100.00%	NA	12.09.2012	NA
Holii Accessories Private Limited	Joint Venture	50.00%	50.00%	02.11.2009	01.01.2013*
Clarks Future Footwear Limited	Joint Venture	50.00%	NA	29.06.2011	01.01.2013*
And Designs India Limited	Associate	22.86%	22.86%	21.10.2009	01.01.2013*
Capital Food Exports Private Limited	Associate	43.50%	43.76%	15.02.2010	NA
BIBA Apparels Private Limited	Associate	28.30%	28.30%	14.03.2011	01.01.2013*

*Demerged consequent to the Composite Scheme of Amalgamation and Arrangement (Refer Note 41).

j. Goodwill recognized in the financial statements with regard to subsidiaries and joint ventures is as follows:

Name of the Company	₹ in Lakhs	
	As at 31st March 2013	As at 31st March 2012
Aadhaar Retailing Limited	262.15	262.15
Indus League Clothing Limited	-	30,598.55
Indus Tree Craft Private Limited and its Subsidiary	-	729.68
Future Consumer Enterprises Limited	-	22.17
Future Consumer Products Limited	2,055.97	2,055.97
Amar Chitra Katha Private Limited and its Subsidiaries	4,807.78	4,807.78
Express Retail Services Private Limited	4,672.75	-
Star and Sitara Wellness Private Limited	90.07	-
Clarks Future Footwear Limited	-	952.26
Holii Accessories Private Limited	-	0.15
Total	11,888.72	39,428.71

k. Goodwill included in carrying amount of investments in Associates:

Name of the Company	₹ in Lakhs	
	As at 31st March 2013	As at 31st March 2012
And Designs India Limited	-	371.45
Capital Food Exportts Private Limited	5,948.88	5,948.88
Turtle Limited	-	834.62
Biba Apparels Private Limited	-	2,044.64
Total	5,948.88	9,199.59

3. Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

b) Inventories

Inventories are valued at the lower of cost and 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 of inventory is determined on weighted average basis in respect of Trading Goods while in the case of others it is determined on First in First out basis.

c) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) **Fixed Assets and Depreciation**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprise purchase price, all direct expenses relating to the acquisition and installation and any attributable cost of bringing the asset to its working condition for the intended use.

Depreciation is calculated on a straight-line basis at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 or rate derived based on useful life of fixed assets whichever is higher.

The difference between depreciation provided on revalued amount and on historical cost is transferred from Revaluation Reserve to Statement of Profit and Loss.

In the case of subsidiary Indus Tree Crafts Private Limited and associates And Designs India Limited and BIBA Apparels Private Limited, fixed assets are depreciated on Written Down Value Method (WDV). However, the proportion of such assets which are depreciated on WDV method is not significant.

License rights for use of brands and trademarks are amortized over a period of 25 years and 20 years respectively which is based on the terms of the license rights acquired and the economic benefits that are expected to accrue to the Company over such period.

Acquired Brand and goodwill are amortized over ten years based on the estimated useful life.

Assets individually costing ₹ 5,000/- or less are depreciated fully in the year of purchase.

f) **Revenue Recognition**

Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer which generally coincides with delivery and are recorded net of VAT.

Revenue by way of sale of shops-in-shop arrangements with other retailers is recognized on delivery of goods as per the terms of the relevant contracts. Sales returns and provision for goods that are expected to be returned are made based on management estimation taking into account the past experience.

Profit / Loss on sale of investment

Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the Statement of Profit and Loss on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized. Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the same is established. Fee for services rendered and royalty income is recognized at the specific rates as per the terms of contract.

Royalty Income

Brand Royalty is recognized on accrual basis in accordance with the terms of the relevant agreement.

g) **Foreign Currency Transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates. Exchange differences arising on actual payment / realisation and year end re-instatement referred to above are recognized in the Statement of Profit and Loss.

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

h) **Capital Grant**

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received.

When the grant or subsidy from the Government relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the grant or subsidy from the Government is in the nature of promoters' contribution, where no repayment is ordinarily expected in respect thereof, it is credited to Capital Reserve and treated as a part of Shareholders' funds on receipt basis.

i) Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Other investments are classified as long-term investments.

Cost of investment includes acquisition charges such as brokerage, fees and duties.

Long-Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

j) Employee Benefits

Defined Contribution Plans

The Company's contributions to Provident Fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Compensated Absences

Liability for short term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

Other short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and similar benefits which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

k) Employee Share based payments

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

l) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss as per contractual terms.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average no of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

o) Taxes on income

Current tax is determined on the income for the year chargeable to tax 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 tax laws that are enacted or substantially enacted as on the balance sheet date. Where the Company has unabsorbed business loss/depreciation, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

p) Impairment of assets

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 greater of the assets net selling price and value in use. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

q) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4. Share Capital

- a) The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares

Particulars	As at 31st March 2013 ₹ in Lakhs	As at 31st March 2012 ₹ in Lakhs
Authorised		
5,550,000,000 (Previous year - 5,000,000,000) Equity Shares of ₹ 6/- each (Previous year – ₹ 10/- each)	333,000.00	500,000.00
1,670,000,000 (Previous year - NIL) Unclassified Shares of ₹ 10/- each	167,000.00	-
	500,000.00	500,000.00
Issued, Subscribed and Fully Paid-up Capital		
1,576,243,700 (Previous year - 1,576,243,700) Equity Shares of ₹ 6/- each (Previous year – ₹ 10/- each) *	94,574.62	157,624.37
Shares Pending Allotment #	1,303.98	-
21,732,971 (Previous Year – Nil) Equity Shares of ₹ 6/- each		
Total	95,878.60	157,624.37

* As per the Composite Scheme of Amalgamation and Arrangement the Face value of an equity share is to be reduced from ₹ 10 to ₹ 6 w.e.f. the record date. The Board of Directors in their meeting held on 30th May 2013 has fixed 24th June 2013 as the record date for this purpose.

Shares Pending Allotment represents an aggregate of 21,732,971 (Previous Year: NIL) equity shares of ₹ 10/- each (subsequently reduced to ₹ 6/- each), to be issued as fully paid-up, to the shareholders of Indus League Clothing Limited pursuant to Composite Scheme of Amalgamation and Arrangement in terms of the share swap ratio under the said scheme and therefore no consideration will be received by the Company on such shares. (Refer Note 41 A.4)

- b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
No of Equity shares at the beginning of the year	1,576,243,700	157,624.37	826,243,700	82,624.37
Add : Shares issued pursuant to initial Public Offer	-	-	750,000,000	75,000.00
Add : Shares to be issued pursuant to the Scheme of Amalgamation and Arrangement (Refer Note 41 A.4)	21,732,971	2,173.30	-	-
No of Equity shares at the end of the year	1,597,976,671	159,797.67	1,576,243,700	157,624.37
Reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement and to be given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May, 2013. (Refer Note 41 A. 7)	-	(63,919.07)	-	-
Total	1,597,976,671	95,878.60	1,576,243,700	157,624.37

- c) Details of Shareholders holding more than 5% shares in the Company.

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	% of Holding	No of Shares	% of Holding
Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	150,000,000	9.52	150,000,000	9.52
Arisaig Partners (Asia) Pte. Ltd. A/c. Arisaig India Fund Limited	142,043,000	9.01	-	-
BNP Paribus Arbitrage	140,753,144	8.93	-	-
Gargi Developers Private Limited	127,889,984	8.11	126,251,081	8.01
PIL Industries Limited	122,000,000	7.74	122,000,000	7.74
Bennett, Coleman and Company Limited	100,000,000	6.34	100,000,000	6.34
Central Departmental Stores Private Limited	95,838,700	6.08	95,838,700	6.08
Future Capital Investment Private Limited	84,106,029	5.34	-	-

d) Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of ₹ 10 subsequently reduced to ₹ 6 per share. Each holder of equity shares is entitled to one vote per share.

In the event of repayment of capital of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

e) As at 31st March, 2013 in terms of FVIL Employees Stock Option Plan 2011 equity shares aggregating to 18,785,000 (Previous Year- 15,085,000 equity shares) were reserved for issuance towards outstanding Employee Stock Options granted. (Refer Note 34)

5. Reserves and Surplus

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Capital Redemption Reserve:		
Opening Balance	5.20	5.20
Add: Transfer from Securities Premium	-	0.70
Less: Adjustments on Consolidation	-	(0.70)
	5.20	5.20
Revaluation Reserve:		
Opening Balance	24.12	24.92
Less: Transfer to Profit and Loss A/c	(1.01)	(1.42)
Add: Adjustments pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	(23.11)	0.62
	-	24.12
Statutory Reserve:		
Opening Balance	338.58	338.58
Add: Transfer during the year	416.30	-
	754.88	338.58
Securities Premium in Subsidiary		
Opening Balance	93.09	-
Add: Securities Premium received on issue of Equity Shares	-	101.21
Less: Transfer to Capital Redemption Reserve	-	(0.70)
Less: Share Issues Expenses of Subsidiary	-	(7.42)
	93.09	93.09
General Reserve:		
Opening Balance	0.59	0.59
Add: Current Year Appropriation	-	-
	0.59	0.59
Business Restructuring Reserve:		
Arising on reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement and to be given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May, 2013 (Refer Note 41.A.7)	63,919.07	-
Less : Adjustment of Goodwill arising in the books of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer Note 41.A.7)	(63,203.56)	-
	715.51	-
Less: Transfer to Capital Reserve	(715.51)	-
	-	-
Capital Reserve		
Opening Balance	129.75	-
Add: Transfer from Business Restructuring Reserve pursuant to the composite Scheme of Amalgamation and Arrangement # (Refer Note 41.A.7)	715.51	-
Add: Share of Capital Reserve in an Associate	325.23	129.75
	1,170.49	129.75

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Debenture Redemption Reserve:		
Opening Balance	-	-
Add :- Debenture Redemption Reserve in an Associate	22.66	-
	22.66	-
Surplus/(Deficit) in Profit and Loss Account		
Opening Balance	(14,461.97)	(10,305.49)
Add: Current Year Profit/(Loss)	(5,571.55)	(4,176.64)
Less : Transfer to Statutory Reserve as per RBI Section 45 (IC)	(416.30)	-
Add : Adjustment pursuant to the composite scheme of Amalgamation and Arrangement (Refer Note - 41)	5,470.29	-
Add: Adjustment on Conversion into Subsidiaries	-	22.82
Less: Tax on Proposed dividend relating to Subsidiary	-	(2.66)
	(14,979.53)	(14,461.97)
Total	(12,932.62)	(13,870.64)

This is, however, subject to adjustment of goodwill on giving effect to the Composite Scheme of Amalgamation and Arrangement with respect to Food Scheme which is pending before the Hon'ble High Court of Delhi for their sanction (Refer note 41.B.3).

6. Long Term Borrowings

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
SECURED LOANS		
Term Loan from Banks	-	1,115.83
Term Loan from Others	0.49	6.76
Proportionate Share in Joint Ventures	-	434.38
	0.49	1,556.97
UNSECURED LOANS		
8% Optional Convertible Debentures	-	310.00
	-	310.00
Total	0.49	1,866.97

7. Other Long Term Liabilities

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Trade Payables		
Sundry Creditors:		
- Due to Micro Enterprises and Small Enterprises*	-	-
- Dues other than to Micro Enterprises and Small Enterprises	-	191.18
	-	191.18
Other Liabilities		
Security Deposits	-	11.75
Others	60.47	41.48
	60.47	53.23
Total	60.47	244.41

* As identified by the management and relied upon by the Auditors

8. Long Term Provisions

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Employees Benefits		
Provision for Gratuity	81.11	111.94
Proportionate Share in Joint Ventures	-	6.31
Total	81.11	118.25

9. Short Term Borrowings

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
SECURED LOANS		
Working Capital Loan from Banks	-	14,639.02
Cash Credit from Banks (Payable on Demand)	76.98	408.40
Proportionate Share in Joint Ventures	-	525.00
	76.98	15,572.42
UNSECURED LOANS		
Other Loans	-	18.77
Proportionate Share in Joint Venture	-	1,000.00
	-	1,018.77
Total	76.98	16,591.19

10. Trade Payables

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Acceptances	646.96	809.11
Sundry Creditors:		
- Due to Micro Enterprises and Small Enterprises*	-	-
- Dues others	8,550.60	10,355.54
Proportionate Share in Joint Ventures	-	3,163.52
Total	9,197.56	14,328.17

*As identified by the management and relied upon by the Auditors

11. Other Current Liabilities

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Advance from Customers	318.84	144.28
Current Maturities of Long Term Debt	0.60	478.74
Security and other Deposits	147.72	98.62
Interest accrued but not due	-	5.38
Statutory Dues	201.75	365.19
Creditors for Capital Goods	9.71	45.37
Advance against Gift Vouchers	-	20.81
Consideration payable on acquisition of investments	1,572.50	-
Other Liabilities	3.47	13.22
Proportionate Share in Joint Ventures	-	636.69
Total	2,254.59	1,808.30

12. Short Term Provisions

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
a) Employees Benefits		
Provision for Compensated Absences	146.46	131.55
Provision for Gratuity	6.56	9.81
Bonus, Incentives and others	111.20	88.00
b) Others		
Provision for Dividend Tax relating to Subsidiary	-	2.66
Provision for Standard Assets	57.87	66.70
Proportionate Share in Joint Ventures	-	306.67
Total	322.09	605.39

	Gross Block						Depreciation					Net Block	
	As at 1st April 2012	Additions / Adjustment on Acquisition/ Merger	Additions	Deletions	Deletion on Demerger	As at 31st March 2013	As at 1st April 2012	Accumulated Depreciation on Additions/ Adjustment of Acquisition/ Merger	For the Period	Deletions	Deletion on Demerger	As at 31st March 2013	As at 31st March 2013
Description of Assets													
Tangible Assets													
Land	600.08	-	1.69	-	69.03	532.74	-	-	-	-	-	-	532.74
Building	643.55	668.33	38.49	20.05	49.77	1,280.55	77.74	261.40	69.20	9.25	11.00	388.09	892.46
Office Equipments	484.50	149.42	130.21	33.82	103.34	626.97	106.85	24.58	31.22	10.04	38.91	113.70	513.27
Computers	974.39	194.08	291.14	40.68	517.01	901.92	685.63	151.21	136.83	33.00	423.24	517.43	384.49
Furniture and Fixtures	2,062.31	952.44	1,465.41	119.86	1,207.81	3,152.49	443.99	162.81	212.77	31.11	284.74	503.72	2,648.77
Vehicles	35.09	43.32	6.61	24.84	18.90	41.28	11.94	18.38	9.74	12.29	9.74	18.03	23.25
Plant and Machinery	487.10	831.18	357.82	41.85	566.04	1,068.21	145.82	217.88	47.49	15.88	174.05	221.26	846.95
Leasehold improvement	575.78	335.78	32.26	248.52	48.53	646.77	185.29	8.62	104.11	80.08	48.61	169.33	477.44
Electrical Fittings	13.25	291.94	2.84	-	13.25	294.78	0.41	4.80	4.84	-	1.75	8.30	286.48
Signage	194.87	-	1.33	-	-	196.20	181.33	-	6.04	-	-	187.37	8.83
UPS	4.49	-	-	-	4.49	-	1.82	-	0.28	-	2.10	-	-
Shop Interior	4,006.71	158.57	209.73	56.25	4,318.76	-	1,754.79	273.54	332.34	30.70	2,329.97	-	-
Proportionate Share in Joint Ventures	1,440.73	-	262.62	39.69	1,663.66	-	279.24	-	276.38	2.22	553.40	-	-
Total	11,522.85	3,625.06	2,800.15	625.56	8,580.59	8,741.91	3,874.85	1,123.22	1,231.24	224.57	3,877.51	2,127.23	6,614.68
Intangible Assets													
TradeMark and Brand	18,194.70	4,334.32	6,095.10	-	5,310.84	23,313.28	2,701.68	78.47	1,556.32	-	535.90	3,800.57	19,512.71
Software	408.42	118.04	38.25	-	36.53	528.18	272.68	53.08	70.15	-	31.94	363.97	164.21
Goodwill	3,662.03	570.00	7,082.63	-	-	11,314.66	1,495.33	4.75	866.88	-	-	2,366.96	8,947.70
Proportionate Share in Joint Ventures	5.52	-	-	-	5.52	-	1.90	-	2.42	-	4.32	-	-
Total	22,270.67	5,022.36	13,215.98	-	5,352.89	35,156.12	4,471.59	136.30	2,495.77	-	572.16	6,531.50	28,624.62
Grand Total	33,793.52	8,647.42	16,016.13	625.56	13,933.48	43,898.03	8,346.44	1,259.52	3,727.01	224.57	4,449.67	8,658.73	35,239.30

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1st April 2011	Additions on Acquisition	Deletions	As at 31st March 2012	As at 1st April 2011	Additions on Acquisition	For the Period	Deletions	As at 31st March 2012	As at 31st March 2012
Tangible Assets										
Land	600.08	-	-	600.08	-	-	-	-	-	600.08
Building	643.55	-	-	643.55	65.94	-	11.80	-	77.74	565.81
Office Equipments	491.26	39.77	91.30	484.92	86.04	6.65	31.87	17.51	107.05	377.87
Computers	815.77	150.09	68.28	974.39	555.36	70.35	110.87	50.95	685.63	288.76
Furniture and Fixtures	1,610.61	107.05	131.43	1,876.83	288.42	51.81	139.48	35.69	444.02	1,432.81
Vehicles	7.21	27.97	11.78	35.09	5.61	7.32	1.33	2.32	11.94	23.15
Plant and Machinery	455.80	2.27	30.09	486.57	121.92	0.35	23.95	0.70	145.52	341.05
Leasehold improvement	756.73	7.70	20.68	575.78	182.02	3.63	57.13	57.49	185.29	390.49
Electrical Fittings	0.56	-	12.76	13.32	0.10	-	0.38	-	0.48	12.84
Signage	185.92	-	17.90	194.87	160.81	-	29.47	8.95	181.33	13.54
UPS	3.79	-	0.70	4.49	1.40	-	0.42	-	1.82	2.67
Shop Interior	4,090.53	-	340.93	4,192.23	1,449.74	-	438.89	133.84	1,754.79	2,437.44
Proportionate Share in Joint Ventures	623.72	78.06	18.55	1,440.73	119.83	2.48	164.62	7.69	279.24	1,161.49
Total	10,285.53	412.91	780.44	11,522.85	3,037.19	142.59	1,010.21	315.14	3,874.85	7,648.00
Intangible Assets										
TradeMark and Brand	16,138.70	2,078.62	174.98	18,194.70	1,467.40	433.78	837.45	36.95	2,701.68	15,493.02
Software	315.42	117.23	35.39	408.42	182.45	31.37	88.11	29.25	272.68	135.74
Goodwill	3,662.03	-	-	3,662.03	1,129.13	-	366.20	-	1,495.33	2,166.70
Proportionate Share in Joint Ventures	4.47	-	-	5.52	1.14	-	0.76	-	1.90	3.62
Total	20,120.62	2,195.85	210.37	22,270.67	2,780.12	465.15	1,292.52	66.20	4,471.59	17,799.08
Grand Total	30,406.15	2,608.76	990.81	33,793.52	5,817.31	607.74	2,302.73	381.34	8,346.44	25,447.08

14. Non - Current Investments

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Non- Current Investments		
a) Investment in Associates - Trade Unquoted		
i) In Equity Shares		
Cost of Investment	14,175.46	14,175.46
(Includes ₹ 5948.88 Lakhs (Previous year - ₹ 9199.59 Lakhs) representing Goodwill on Consolidation)		
Add: Accumulated Share of Profit/(Loss) of Associates	2,498.07	1,591.85
Add: Share of Capital Reserves	454.98	129.75
Add: Share of Debenture Redemption Reserve in an Associate	22.66	-
Less: Dividend Received	(120.52)	(54.93)
Less: Transfer from the company pursuant to Composite Scheme of Amalgamation and Arrangement (Refer Note 41)	(8,152.86)	-
ii) In Debentures		
0% Optional Convertible Debentures	2,500.00	2,500.00
	11,377.79	18,342.13
b) Non Trade Investments		
(i) Unquoted		
Equity Shares –Others	-	1,503.56
c) Non Trade Investments		
(i) Quoted		
Equity Shares – Others	-	0.06
(ii) Unquoted		
National Savings Certificate	0.53	1.11
(Lodged with Sales Tax Authorities)		
Total	11,378.32	19,846.86

15. Deferred Tax

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Deferred tax (liabilities) / assets		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	2,986.18	-
Tax effect of items constituting deferred tax liabilities	2,986.18	-
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	50.19	66.21
Provision for doubtful debts / advances	-	-
Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	78.61	-
On difference between book balance and tax balance of fixed assets	8.40	(1,560.43)
Provision for Standard asset	(2.87)	-
Unabsorbed depreciation carried forward	2,851.58	1,549.84
Others	-	88.89
Tax effect of items constituting deferred tax assets	2,985.91	144.51
Deferred tax liabilities / (assets) (net)	0.27	(144.51)

16. Long Term Loans and Advances

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
a) Unsecured - Considered Good		
(i) Loans and advances to Related Parties	-	960.00
(ii) Loans and advances to Employees	77.50	-
(iii) MAT Credit entitlement	-	60.81
(iv) Prepaid Taxes (Net of Provision of ₹ 740.49 Lakhs) (Previous Year ₹ 751.36 Lakhs)	917.86	471.95
(v) Security Deposits	606.66	1,875.73
(vi) Other Deposits	26.47	-
(vii) Capital Advances	-	416.01
(viii) Other Loan and Advances	10.41	26.01
	1,638.90	3,810.51
b) Unsecured – Considered Doubtful		
(i) Other loans and advances	-	100.00
Less: Provision for doubtful loans and Advances	-	(100.00)
(ii) Security Deposits : Considered Doubtful	-	91.18
Less: Provision for doubtful deposits	-	(91.18)
	-	-
Proportionate Share in Joint Ventures	-	503.07
Total	1,638.90	4,313.58

17. Other Non-Current Assets

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Balance with Banks in deposit account (Fixed Deposit of ₹ 14.88 Lakhs (Previous Year ₹ 21.99 Lakhs)) lodged with Bank for issue of Guarantee in favour of Customers)	21.19	21.99
Proportionate Share in Joint Ventures	-	3.00
Total	21.19	24.99

18. Current Investments

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Non Trade Investments		
12% Optional Convertible Debentures	-	2,500.00
Units of Mutual Funds	401.44	7,223.76
Certificate of Deposits	10,000.00	20,000.00
Total	10,401.44	29,723.76

19. Inventories (Lower of Cost and Net Realisable Value)

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Raw Materials	24.17	577.52
Work-in-Progress	105.63	1,181.73
Finished Goods	286.52	7,588.93
Traded Goods	5,381.10	3,945.70
Goods in Transit	-	245.97
Packing and Others	90.12	0.18
Proportionate Share in Joint Ventures	-	2,311.81
Total	5,887.54	15,851.84

20. Trade Receivables

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Outstanding for a period exceeding six months from the date they are due for payment		
Secured Considered Good	-	-
Unsecured Considered Good	256.37	1,715.24
Considered Doubtful	52.75	19.75
Less: Provision for Doubtful Debts	(52.75)	(19.75)
	256.37	1,715.24
Other Debtors		
Secured Considered Good	4.90	-
Unsecured Considered Good	2,587.81	17,683.94
Proportionate Share in Joint Ventures (Includes Secured debtors ₹ Nil) (previous year ₹ 3 lakh for Clark Future Footwear Limited)	-	1,500.90
Total	2,849.08	20,900.08

21. Cash and Cash Equivalents

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Cash and Cheques on Hand	249.70	47.23
Balance with Scheduled Bank		
- In Current Account	606.94	839.78
- In Fixed Deposit Accounts (Out of the Fixed Deposit of ₹ Nil (Previous Year ₹ 6.04 Lakhs)) lodged with Bank for issue of Guarantee in favour of Customers)	36.53	371.49
- Margin Money with Bank	11.42	-
Proportionate Share in Joint Ventures	-	1,280.88
Total	904.59	2,539.38
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	904.59	2,539.38
Balances with banks include deposits with remaining maturity of more than 12 months from the Balance Sheet date	12.54	89.58

22. Short Term Loans and Advances

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Unsecured - Considered Good		
(i) Loans and advances to employee	59.28	38.43
(ii) Loans and advances to Related Parties	13,569.04	21,069.30
(iii) Advance to Creditors	261.62	756.72
(iv) Security Deposits	26.29	505.07
(v) Balances with excise and custom and other Government Authorities	302.39	147.68
(vi) Other Loan and Advances	1,717.48	967.27
Proportionate Share in Joint Ventures	-	151.21
Total	15,936.10	23,635.68

23. Other Current Assets

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Interest accrued on Deposits	288.60	570.82
Insurance Claim Receivables	-	100.28
Others	44.34	0.67
Proportionate Share in Joint Ventures	-	0.30
Total	332.94	672.07

24. Revenue from Operations

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Sale of Products	85,795.59	77,977.84
Less: Excise Duty	(790.69)	(1458.56)
Add: Proportionate Share of Joint Venture	5,175.51	3,924.19
	90,180.41	80,443.47
Gain on Sale of Investment *	3.29	21.97
Interest Income:		
- On Bank Deposits/other Deposit	1,826.28	1,962.16
- Inter Corporate Deposits and Others	2,331.19	1,946.80
Dividend Income	218.92	652.37
Profit/(loss) on Sale of Long Term securities (net)	76.87	122.94
Royalty Income	146.13	175.00
Other Operating Income	1,107.87	493.26
Proportionate Share in Joint Ventures	38.31	7.46
Total	95,929.27	85,825.43

* Include ₹ 3.29 Lakhs (Previous Year ₹ 2.10 Lakhs) being increase in carrying value based on the net asset value declared by Mutual Funds

25. Other Income

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Lease Rental Income	25.10	38.95
Interest on Income tax Refund	7.61	5.95
Sundry Creditors Written Off/back	7.29	-
Provision No Longer Required Written Back	-	102.36
Provision for Standard Assets	8.83	-
Gain on Foreign Exchange (Net)	4.66	-
Miscellaneous Income	24.09	63.94
Proportionate Share in Joint Ventures	11.60	4.47
Total	89.18	215.67

26. Cost of Materials Consumed

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Opening Stock of Raw Materials	577.52	640.07
Add: Transfer into the Company from demerged undertaking of ILCL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	5,331.88	-
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	(11,464.29)	-
Add: Adjustment on acquisition of subsidiary	-	25.73
Add: Purchases	16,993.46	23,615.85
Closing Stock of Raw Materials	(24.17)	(577.52)
Total	11,414.40	23,704.13

27. Purchase of Traded Goods

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Purchases	53,221.14	33,523.55
Less :- Loss of Stock on Fire	-	(96.04)
Proportionate Share in Joint Ventures	4,157.95	4,140.32
Total	57,379.09	37,567.83

28. Changes in inventories of Work In Progress, Finished Goods and Stock in Trade

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Opening Stock of Work In Progress	1,181.73	1,938.32
Add: Transfer into the Company from demerged undertaking of ILCL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	952.34	-
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	(2,183.27)	-
Closing Stock of Work In Progress	(105.63)	(1,181.73)
	(154.83)	756.59
Opening Stock of Finished Goods	7,834.90	5,959.49
Add: Transfer into the Company from demerged undertaking of ILCL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	5,909.18	-
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	(11,881.29)	-
Add: Adjustment on acquisition of subsidiary	-	212.55
Closing Stock of Finished Goods	(286.52)	(7,834.90)
	1,576.27	(1,662.86)
Opening Stock of Traded Goods	3,945.70	2,865.46
Add: Transfer into the Company from demerged undertaking of FCEL and LCIL pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	441.25	-
Less: Transfer from Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 41)	(1,328.28)	-
Add: Adjustment on acquisition of subsidiary	444.01	804.55
Closing Stock of Traded Goods	(5,381.10)	(3,945.70)
	(1,878.42)	(275.69)
Proportionate Share of Joint Ventures	(809.36)	(1,215.80)
Total	(1,266.34)	(2,397.76)

29. Employee Benefits Expense

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Salaries Wages and Bonus	7,450.41	5,374.13
Contribution to Provident and Other Funds	413.45	307.09
Staff Welfare Expenses	241.89	185.13
Proportionate Share in Joint Ventures	897.25	621.20
Total	9,003.00	6,487.55

30. Other Expenses

Particulars	For the year ended March 31st 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Rent	3,630.67	2,974.20
Consumables and Packing Material	317.41	199.84
Warehousing and Distribution Expenses	1,830.47	1,198.80
Manufacturing Expenses	1,730.22	1,862.70
Other purchase of materials and Publishing expenses	410.57	43.56
Power, Water and Fuel	494.56	403.12
Advertisement, and Marketing Expenses	2,655.70	3,008.75
Commission and Brokerage	152.23	226.44
Cash Discount	-	277.02
Repairs and Maintenance	404.73	271.48
Legal and Professional Charges	821.60	678.03
Advisory and Mentoring Fees	1,125.00	1,500.00
Rates and Taxes	67.88	116.53
Insurance	50.68	61.78
Auditor's Remuneration (Refer Note 32)	97.23	90.74
Directors Sitting Fees	7.93	11.15
Loss on Sale/Retirement of Fixed Assets	336.84	451.68
Loss on Insurance claim	15.26	-
Security and Housekeeping Expenses	69.79	67.71
Loss on Exchange Fluctuation	19.80	32.27
Brand Royalty	1,546.46	1,525.42
Bad Debts and Advances Written Off	154.90	144.41
Provision for Standard Assets	-	49.96
Miscellaneous Expenses	2,439.35	1,267.61
Proportionate Share in Joint Ventures	2,867.51	2,056.78
Total	21,246.79	18,519.98

31. Finance Costs

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Interest on		
- Working Capital Loans	1,234.25	1,616.61
- Fixed Loans	37.87	176.95
- Term Loans	13.87	30.52
- Others	232.61	259.14
Lease Charges	-	0.55
Proportionate Share in Joint Ventures	169.99	110.02
Total	1,688.59	2,193.79

32. Details of Audit Fees

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
(i) To Statutory Auditors :		
Statutory Audit	20.79	14.00
Taxation Matters	1.12	1.00
Other Services	9.78	19.90
Out of Pocket Expense (including Taxes and Levies)	6.05	8.39
(ii) Payment made by Subsidiary Companies, Joint Ventures and Associates to their Statutory Auditors		
Statutory Audit	41.14	29.71
Taxation Matters	4.92	11.33
Other Services	9.61	5.02
Out of Pocket Expense (including Taxes and Levies)	3.82	1.39
Total	97.23	90.74

33. Capital Commitment

The estimated value of contracts remaining to be executed on Capital Account to the extent not provided:-

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Subsidiary	-	12.18
Joint Ventures	-	43.62
Associates	1,439.13	30.92
Total	1,439.13	86.72

34. Employees Stock Option Plan

The Board at its meeting held on 12th July, 2010, approved issue of Stock Options up to a maximum of 1 % of the paid up Equity Share Capital of the Company (before Rights Issue) aggregating to 50,000,000 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 subject to the approval of the shareholders under Section 81 (1A) of the Companies Act, 1956. The Shareholders of the Company at the Annual General Meeting held on 10th August, 2010 approved the aforesaid issue of 50,000,000 Equity Shares of the Company under one or more Employee Stock Option Scheme(s). Post listing of the Company, the shareholders have ratified the pre-IPO scheme.

The Compensation and Nomination Committee has approved the following grants to certain directors and employees of the Company and some of its Subsidiaries in accordance with the FVIL Employees Stock Option Plan 2011 (ESOP Scheme):

Particulars	Grant 1	Grant 2	Grant 3
Date of Grant	27th Mar'11	14th Feb'12	9th Nov'12
Exercise Price	₹ 10 per Option*	₹ 10 per Option*	₹ 10 per Option*
Vesting Commences on	27th Mar'12	14th Feb'13	9th Nov'13
Options outstanding at the beginning of the year			
- Vested	3,909,000	NIL	NIL
-Yet to Vested	9,121,000	2,055,000	4,200,000
Options Vested	3,909,000	466,500	NIL
Options Granted	NIL	NIL	NIL
Options Exercised	NIL	NIL	NIL
Options Forfeited/Lapsed	NIL	500,000	NIL
Options outstanding at the end of the year			
- Vested	7,818,000	466,500	NIL
-Yet to Vested	5,212,000	1,088,500	4,200,000

Pursuant to the scheme of Arrangement necessary adjustments to the ESOP scheme will be carried out in the manner as may be decided by the Board of Directors or its committee.

*Reduced to ₹ 6 per option consequent to reduction in face value of equity shares.

Deferred Stock Compensation Expense:

As the exercise price has been fixed at fair value as on date of grant, there is no compensation cost which needs to be amortized over the vesting period of the stock option.

Fair Value Methodology

The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.

The key assumptions used in the Black-Scholes model for calculating the fair value as on the date of the grants are:

Particulars	Grant 1	Grant 2	Grant 3
Vesting Date	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%
Risk-Free Interest Rate (Average)	7.79%	8.27%	8.14%
Expected Life (Years)	2.50 Years	2.50 Years	2.50 Years
Expected volatility of Share Price (%)	Since the Company is unlisted, zero volatility has been considered	29.07%	27.42%
Dividend Yield (%)	The Company has not declared dividend, hence dividend has not been considered	The Company has not declared dividend, hence dividend has not been considered	The Company has not declared dividend, hence dividend has not been considered
Price of the underlying share at the time of option	₹ 10 each	₹ 8.75	₹ 9.90
Fair Value of the Option	₹ 2.36 each	₹ 3.22 each	₹ 4.03 each

Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the pro forma amounts indicated below:

Impact on Net Profit

Particulars	₹ In Lakhs
Net Loss (As reported)	(5,571.55)
Add: Stock based employee compensation expense included in net profit	NIL
Less: Stock based compensation expense determined under fair value based method (Proforma)	(150.74)
Net Loss (Proforma)	(5722.29)

Impact on Earnings Per Share

Particulars	₹ per share
Basic Earnings per Share (As reported)	(0.35)
Basic Earnings per Share (Proforma)	(0.36)
Diluted Earnings per Share (As reported)	(0.35)
Diluted Earnings per Share (Proforma)	(0.36)

35. The Group has a defined benefit gratuity plan and the details of actuarial valuation as on 31st March, 2013 are given below:

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Net Employee benefit expenses (recognized in Employee cost)		
Current Service Cost	85.11	72.91
Interest cost on benefit obligation	13.43	13.30
Benefits paid	(18.88)	(10.91)
Expected Return on plan assets	(3.39)	(2.67)
Net actuarial (Gain)/Loss recognised in the period	3.83	(25.91)
Net benefit expenses	80.10	46.72
Amounts recognised in balance sheet		
Defined benefit obligation	202.91	200.39
Fair Value of Plan assets	(53.19)	(35.50)
Unrecognised past service Cost Non Vested benefit	(0.03)	(0.06)
Unrecognised (Asset)/ Liability *	149.69	164.83
	As at 31st March 2013	As at 31st March 2012
Change in the present value of the defined benefit obligation are as follows		
Obligation at period beginning	200.39	153.25
Less: Adjustments on account of demerger (Refer Note 41)	(110.01)	-
Add: Adjustment on acquisition of Subsidiary	28.42	-
	118.80	153.25
Current service cost	85.11	72.91
Interest on defined Obligation	13.43	13.30
Benefits paid	(18.88)	(10.91)
Actuarial (Gain)/ Losses on obligation	5.20	(28.16)
Obligation at period end *	203.66	200.39
Changes in Fair Value of Assets		
Fair Value of plan assets at the beginning of the year	35.50	28.07
Expected returns on plan assets	3.39	2.67
Actuarial gain/ Loss	1.37	(2.26)
Contribution by Employer	15.88	7.02

Particulars	For the year ended 31st March 2013 ₹ In Lakhs	For the year ended 31st March 2012 ₹ In Lakhs
Benefit Paid	(2.95)	-
Fair Value of plan assets at the end of the year	53.19	35.50
Discount Rate (%)	8%-8.05%	7%-8.65%
Salary escalation rate	5%-10%	5%-10%
Estimate of amount of contribution in the immediate next year	15.11	12.41

*Includes Proportionate share of Joint Venture ₹ NIL (Previous Year –₹ 6.74 Lakhs)

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors. The disclosure requirement with regard to composition of Investments in the Fair Value of Plan assets has not been furnished, as details are not readily available. Disclosure relating to experience adjustments had not been provided in the absence of relevant information.

36. Segmental Reporting

a) Business Segments

The business segment has been considered as a primary segment for disclosure. The products included in each of the business segments are as follows:

Consumer Products – Branding, Selling and Distribution

Investment – Acquisition and holding of Investments

Particulars	Consumer Products (Branding, Selling and Distribution)		Investment		Eliminations		Total	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
A SEGMENT REVENUE								
1 External Revenue	92,066.59	81,772.90	3,951.86	4,268.20	-	-	96,018.45	86,041.10
2 Inter-Segment Revenue	2,941.70	226.64	858.79	1,239.79	(3,800.49)	(1,466.43)	-	-
TOTAL SEGMENT REVENUE	95,008.29	81,999.54	4,810.65	5,507.99	(3,800.49)	(1,466.43)	96,018.45	86,041.10
B RESULTS								
3 Segment Results	(6,747.02)	(1,138.39)	1,262.53	996.45	-	-	(5,484.49)	(141.94)
Inter-Segment Revenue	1.60	4.72	858.79	1,235.08	(860.39)	(1,239.80)	-	-
TOTAL SEGMENT RESULTS	(6,745.42)	(1,133.67)	2,121.32	2,231.53	(860.39)	(1,239.80)	(5,484.49)	(141.94)
4 Interest and Finance Charges					(629.03)	(1,239.80)	(1,688.59)	(2,193.79)
5 Exceptional Item							-	(3,322.77)
6 Income Taxes							(482.44)	(880.22)
7 Net Profit/(Loss) after Taxes							(7,655.52)	(6,538.72)
8 Share of Profit/(Loss) of Associates							906.22	1,082.35
9 Minority Interest in Net Income/(Loss)							1,177.75	1,182.51
10 Adjustment on Acquisition of Subsidiaries							-	97.22
11 Net Profit/(Loss) after share of Associates and Minority Interest							(5,571.55)	(4,176.64)
C SEGMENT ASSETS								
Unallocated Assets	29,088.73	106,221.34	76,594.95	74,200.48	(9,571.06)	(5,982.56)	96,112.62	174,439.26
Proportionate Share in Joint Venture							917.87	677.16
TOTAL ASSETS	29,088.73	106,221.34	76,594.95	74,200.48	(9,571.06)	(5,982.56)	97,030.49	183,111.05
D SEGMENT LIABILITIES								
Unallocated Liabilities	17,723.75	37,708.95	1,946.47	263.85	(7,676.66)	(8,482.59)	11,993.56	29,490.21
Proportionate Share in Joint Venture							2,090.95	3,794.55
TOTAL LIABILITIES	17,723.75	37,708.95	1,946.47	263.85	(7,676.66)	(8,482.59)	14,084.51	39,357.32
E Capital Expenditure								
Proportionate Share in Joint Venture	15,796.90	1,328.14	0.93	1.08	-	-	15,797.83	1,329.22
F Depreciation								
Proportionate Share in Joint Venture	3,652.57	2,131.98	(1.57)	3.96	-	-	3,651.00	2,135.94
G Non Cash Expenses Other than Depreciation								
	-	-	-	-	-	-	-	-

b) Geographical Segment

The entire operations of the group are carried out in India. However the subsidiary companies Indus League Clothing Limited and Indus Tree Crafts Private Limited and Joint Venture Company Clarks Future Footwear Limited have done business outside India as well. The disclosure relating to geographical segment is given below

₹ In Lakhs

Particulars	2012-13		
	Domestic	Export	Total
Revenue	95,539.79 (85,923.16)	478.66 (117.94)	96,018.45 (86,041.10)
Assets	97,030.49 (183,071.74)	- (39.31)	97,030.49 (183,111.05)
Capital Expenditure	16,110.00 (2,100.55)	- -	16,110.00 (2,100.55)

Figures in bracket represent previous year figures.

37. Related Party Disclosures**A. Names of Related Parties and Nature of Relationship**

(as identified by the management and relied upon by the auditors)

i. Associates

- i. And Designs India Limited (Up to 31st December, 2012)
- ii. Capital Foods Exportts Private Limited
- iii. Integrated Food Park Private Limited (Subsidiary of Capital Foods Exportts Private Limited)
- iv. Turtle Limited (Up to 31st December, 2012) (Associate of Indus League Clothing Limited)
- v. Biba Apparels Private Limited (Up to 31st December, 2012)
- vi. Karadi Path Education Company Private Limited (Associate of Amar Chitra Katha Private Limited)

ii. Joint Ventures

- i. Holii Accessories Private Limited (Up to 31st December, 2012)
- ii. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited) (Up to 31st December, 2012)
- iii. Clarks Future Footwear Limited (Up to 31st December, 2012)

iii. Enterprises over which key management personnel can exercise control/ significant influence

- i. Akar Estate and Finance Private Limited
- ii. Anchor Residency Private Limited (Formerly known as "Anchor Malls Private Limited")
- iii. Asian Retail Lighting Limited
- iv. Bansi Mall Management Co Private Limited
- v. DMA Yellow Works Limited
- vi. ESES Commercial Private Limited
- vii. Fashion Global Retail Limited
- viii. FSC Brand Distribution Services Limited
- ix. Future Agroviet Limited
- x. Future Brands Limited
- xi. Future Corporate Resources Limited
- xii. Future E Commerce Infrastructure Limited
- xiii. Future Ventures Employees Welfare Trust
- xiv. Future Human Development Limited
- xv. Future Ideas Company Limited
- xvi. Future Ideas Realtors India Limited
- xvii. Future Knowledge Services Limited
- xviii. Future Lifestyle Fashion Limited

- xix. Future Outdoor Media Solutions Limited
- xx. Future Retail Limited (formerly Pantaloon Retail (India) Limited)
- xxi. Future Supply Chain Solutions Limited
- xxii. Future Value Retail Limited
- xxiii. Idiom Design and Consulting Limited
- xxiv. Manz Retail Private Limited
- xxv. Nufuture Digital (India) Limited
- xxvi. nuFuture Haribhakti Business Services Limited
- xxvii. PRTL Enterprises Limited
- xxviii. Staples Future Office Products Private Limited
- xxix. Suhani Trading and Investment Consultants Private Limited
- xxx. Vayuputra Realty Private Limited
- xxxi. Weavette Textstyles Limited

iv. Key Management Personnel

Kishore Biyani - Managing Director

B) Transactions with related parties during the year

₹ in Lakhs

Particulars	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Managerial Person
Purchase of Investments Equity	- (3,500.00)	350.00 (100.00)	- (2,325.00)	- -
Purchase of Investments (Optional Convertible Debentures)	- (2,500.00)	- -	- -	- -
Sale of Investment	4,822.38 -	2,954.55 -	- -	- -
Loan Repayment	- -	- (350.00)	- (2,576.27)	- -
Inter Corporate Deposits Given	15,894.00 (29,924.00)	500.00 (2,800.00)	18,175.00 (32,527.00)	- -
Loan Taken	- -	- (1,350.00)	1,750.00 -	- -
Inter Corporate Deposits Received	17,632.00 (24,721.00)	530.00 (2,700.00)	26,712.00 (22,416.60)	- -
Refund of Share Application Money in subsidiary	- -	- -	- (141.30)	- -
Loans and Advances Given	- -	- -	- (1,621.00)	- -
Loans and Advances Given Received Back	- -	- -	- (661.00)	- -
Sales	- -	- -	27,105.11 (55,791.93)	- -
Purchase of Fixed Asset	- -	- -	3.33 (14.45)	- -
Interest Income	523.32 (641.05)	17.19 (14.65)	1,426.30 (1,026.30)	- -

₹ in Lakhs

Particulars	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Managerial Person
Mentoring and Advisory Fees	-	-	1,125.00	-
	-	-	(1,500.00)	-
Fees for Other Services	-	-	211.58	-
	-	-	(241.67)	-
Royalty charges for brand	-	-	612.94	-
	-	-	(594.23)	-
Royalty Income	-	-	149.65	-
	-	-	(175.00)	-
Sale of Fixed Assets	-	-	-	-
	-	-	(246.49)	-
Interest Expenses	-	-	-	-
	-	(6.59)	(10.43)	-
Purchases	35.59	-	20,340.25	-
	(17.42)	-	(5,595.27)	-
Purchases Returns	12.44	-	-	-
	-	-	-	-
Warehousing and Direct Expenses	-	-	997.58	-
	-	-	(968.54)	-
Other Expenses	-	-	7.13	-
	(8.08)	(0.09)	(34.58)	-
Marketing and Advertisement Expenses	-	-	489.65	-
	-	-	(1,208.10)	-
Interest Receivable	53.22	-	69.21	-
	(74.81)	(0.31)	(120.60)	-
Advance towards Expenses	-	-	-	-
	-	-	(0.11)	-
Rent Paid	17.99	-	393.15	-
	-	(13.16)	(57.42)	-
Rent Received	-	11.09	12.27	-
	-	(29.02)	(16.20)	-
Dividend Income	65.59	-	-	-
	-	-	-	-
ICDs Receivable	2,744.00	-	10,325.00	-
	(5,618.00)	(100.00)	(15,337.00)	-
Receivables	-	-	694.24	-
	(0.94)	(6.64)	(15,220.52)	-
Loan Given	-	-	-	-
	(97.00)	-	(1,621.00)	-
Loan Received Back	-	-	-	-
	(41.00)	-	(661.00)	-
Payables	17.58	-	2,238.16	-
	(11.21)	(13.47)	(837.09)	-
Loan Taken Outstanding	-	-	-	-
	-	(1,000.00)	-	-

₹ in Lakhs

Particulars	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Managerial Person
Loan Given Outstanding	-	-	470.00	-
	-	-	(960.00)	-
Refund of Share Application Money	-	-	-	-
	-	-	(141.30)	-
Managerial Remuneration	-	-	-	53.76
	-	-	-	(17.92)

C) Disclosure in respect of Material Transactions with Related Parties

₹ in Lakhs

Particulars	2012-13	2011-12
Purchase of Investments Equity		
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	-	2,325.00
Capital Foods Exportts Private Limited	-	3,500.00
Holii Accessories Private Limited	150.00	-
Clarks Future Footwear Limited	200.00	-
Purchase of Investments		
Optional Convertible Debentures		
Capital Foods Exportts Private Limited	-	2,500.00
Sales of Investments		
Clarks Future Footwear Limited	2,529.55	-
Biba Apparels Private Limited	4,249.24	-
Loan Taken		
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	1,750.00	-
Celio Future Fashions Limited	-	1,350.00
Inter Corporate Deposits Given		
Capital Foods Exportts Private Limited	3,735.00	9,110.00
Biba Apparels Private Limited	3,830.00	-
Integrated Food Park Private Limited	5,379.00	-
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	3,000.00	-
Loans and Advances Given		
Future Ventures Employees Welfare Trust	-	1,621.00
Loans and Advances Received Back		
Future Ventures Employee Welfare Trust	-	661.00
Loan paid		
Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	-	450.00
Celio Future Fashion Limited	-	350.00
Capital First Limited (Formerly Future Capital Holdings Limited)	-	2,076.27
Inter Corporate Deposits Received		
Biba Apparels Private Limited	5,130.00	-
And Designs India Limited	-	5,250.00
Capital Foods Exportts Private Limited	-	8,245.00
Integrated Food Park Private Limited	5,067.00	-
Sales		
Future Value Retail Limited	17,011.50	21,567.33
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	10,093.61	34,223.67

Particulars	2012-13	2011-12
Purchase of Fixed Asset		
Staples Future Office Product Private Limited	-	8.47
Future Value Retail Limited	-	5.41
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	2.41	-
Future E-Commerce Infrastructure Limited	0.92	-
Asian Retail Lighting Limited	1.72	-
Interest Income		
Future Ideas Company Limited	-	196.79
Integrated Food Park Private Limited	217.31	-
Mentoring and Advisory Fees		
Future Corporate Resources Limited	270.00	360.00
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	855.00	1,140.00
Fees for Other Services		
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	108.58	241.67
NuFuture Digital (India) Limited	31.68	-
nuFuture Haribhakti Business Services Limited	59.08	-
Royalty charges for brand		
Future Ideas Company Limited	175.28	137.88
Future Brands Limited	437.66	456.36
Royalty Income		
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	70.98	87.50
Future Value Retail Limited	78.67	87.50
Interest Expenses		
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	-	10.36
Celio Future Fashion Limited	-	6.40
Capital First Limited (formerly Future Capital Holdings Limited)	-	22.84
Purchases		
Future Value Retail Limited	4,898.49	811.56
Future Agrovet Limited	9,268.41	1,539.62
PIL Industries Limited	5,886.22	2,431.68
Purchase Returns		
Turtle Limited	12.44	-
Warehousing and Direct Expenses		
Future Supply Chain Solutions Limited	997.58	968.54
Other Expenses		
Future Generali India Life Insurance Company Limited	-	19.24
Integrated Food Park Private Limited	-	7.95
Future Knowledge Services Limited	-	4.44
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	2.56	-
Future Supply Chain Solutions Limited	-	4.47
Future Value Retail Limited	3.38	-
Future Ideas Company Limited	0.99	-
Marketing and Advertisement Expenses		
Future Corporate Resources Limited	424.30	1,003.49
Future Media (India) Limited	6.76	141.59
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	58.60	-
Interest Receivable		
Anchor Mall Private Limited	-	18.86
ESES Commercial Private Limited	-	24.32
Integrated Food Park Private Limited	33.89	58.47
Manz Retail Private Limited	-	22.96

Particulars	2012-13	2011-12
WeavetteTexstyles Limited	34.45	-
Fashion Global Retail Limited	34.77	-
Capital Food Exportts Private Limited	19.33	-
Advance towards Expenses		
Future Generali India Life Insurance Company Limited	-	0.11
Rent Paid		
Future Supply Chain Solutions Limited	-	13.08
Future Value Retail Limited	263.10	17.45
Celio Future Fashion Limited	-	13.16
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	120.45	13.50
Future Agrovet Limited	-	8.40
Rent Received		
Future Agrovet Limited	12.27	16.20
Celio Future Fashion Limited	11.09	29.02
Dividend Income		
And Designs India Limited	22.06	-
Biba Apparels Private Limited	27.93	-
Turtle Limited	15.60	-
ICD Receivable		
WeavetteTexstyles Limited	2,390.00	-
Fashion Global Retail Limited	1,895.00	-
Future Lifestyle Fashions Limited	4,900.00	-
Integrated Food Park Private Limited	1,809.00	-
Receivables		
Future Value Retail Limited	683.46	1,877.00
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	-	13,329.62
Loan Given		
Future Ventures Employees Welfare Trust	-	1,621.00
Loan Received Back		
Future Ventures Employees Welfare Trust	-	661.00
Payables		
Apollo Design Apparel Parks Limited	-	85.15
Goldmohur Design and Apparel Park Limited	-	84.44
Future Brands Limited	-	182.96
Future Corporate Resources Limited	-	112.51
Future Supply Chain Solutions Limited	297.54	162.07
Future Value Retail Limited	295.48	-
Future Agrovet Limited	1,314.76	-
Loan Taken Outstanding		
Celio Future Fashion Limited	-	1,000.00
Loan Given Outstanding		
Future Ventures Employees Welfare Trust	470.00	960.00
Share Application Money Refund		
Future Retail Limited (formerly Pantaloon Retail (India) Limited)	-	141.30
Managerial Remuneration		
Mr.Kishore Biyani	53.76	17.92

38. Disclosure relating to Leases

Operating Lease

The Subsidiary's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. With respect to the Joint Ventures, these are generally not non-cancellable and are renewable either by mutual consent on mutually agreed terms or at the option of the lessee.

Lease Expenses - Operating Lease

Particulars	31st March 2013 ₹ In Lakhs	31st March 2012 ₹ In Lakhs
Lease payments for the year	663.73	278.44
Minimum Lease Payments		
Not later than one year	564.59	83.86
Later than one year but not later than five years	1,720.12	112.10
Later than five years	1,168.19	-

Finance Lease

The leasing agreement is towards machinery taken on lease by a subsidiary

Lease Expenses - Finance Lease

Particulars	31st March 2013 ₹ In Lakhs	31st March 2012 ₹ In Lakhs
Lease payments for the year	-	11.35
Minimum Lease Payments		
Not later than one year	-	0.03
Later than one year but not later than five years	-	-
Later than five years	-	-

Lease Income

The leasing arrangement is towards machinery given on lease by a subsidiary

Particulars	31st March 2013 ₹ In Lakhs	31st March 2012 ₹ In Lakhs
Lease rentals received during the year	-	39.12
Minimum Lease Payments		
Not later than one year	-	9.75
Later than one year but not later than five years	-	-
Later than five years	-	-

39. Earnings Per Share

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Particulars	As at 31st March 2013	As at 31st March 2012
Loss for the year (₹ In Lakhs)	(5,571.55)	(4,176.64)
No. of equity shares at the beginning of the year	1,576,243,700	826,243,700
No. of equity shares at the end of the year	1,597,976,671	1,576,243,700
Weighted average number of shares outstanding during the year	1,583,448,329	1,506,571,569
Basic and Diluted Earnings per share	(0.35)	(0.28)

The Company has issued employee stock options during the year which gives rise to potential equity shares. However, as per the terms of the stock option scheme, the exercise price is greater than the average fair value of the shares during the year. Therefore, these potential shares are considered to be anti-dilutive and accordingly, they are not considered in the computation of diluted earnings per share. Hence the basic and diluted earnings per share are the same.

40. Contingent Liabilities

Particulars	As at 31st March 2013 ₹ In Lakhs	As at 31st March 2012 ₹ In Lakhs
Bank Guarantee	3,930.00	3,903.80
Corporate Guarantee	-	1,400.00
Service tax on rent not provided	-	0.88
Claims against the Company not acknowledged as debt	79.39	41.18
Liability on account of Civil Cases, Consumer Cases and Labour Cases	-	16.00
Arbitration	-	41.14
Central Excise and Sales Tax Demand	15.34	51.13
Income Tax Demand Notice*	51.80	113.20
Total	4,076.53	5,567.33

*No provision is presently considered necessary for Income tax demands aggregating to ₹ 51.80 Lakhs (Previous Year ₹ 113.20 Lakhs) and other demands, which are under various stages of appeal as the Company is of the view that the said demands are not sustainable in law.

41. Composite scheme of Amalgamation and Arrangement

A. A composite scheme of Amalgamation and Arrangement (hereinafter referred as “Fashion Scheme”) between Future Ventures India Limited (the Company), Indus League Clothing Limited (“ILCL”), Lee Cooper (India) Limited (“LEE”), Pantaloon Retail (India) Limited (“PRIL”) (now known as “Future Retail Limited”), and Future Lifestyle Fashion Limited (“FLFL”) and their respective shareholders and creditors has been sanctioned by Hon’ble Bombay High Court vide its order dated 10th May, 2013. As the relevant appointed dates from which the arrangements under the scheme are effective fall within the financial year ended 31st March 2013 the said scheme has been given effect to in these financial statements. Pursuant to the said “Fashion scheme”:

1. The entire business and undertaking of ILCL relating to its Fashion business and related activities (ILCL demerged undertaking) stand transferred to and vested in the Company as a going concern w.e.f. 1st December, 2012.
2. The entire business and undertaking of LEE (the Amalgamating Company) stand transferred to and vested in the Company as a going concern w.e.f. 1st December, 2012.
3. The entire business and undertaking of fashion business of the Company (FVIL demerged undertaking) stand transferred to and vested in FLFL as a going concern w.e.f. 1st January, 2013.
4. In consideration of the transfer of ILCL demerged undertaking to the Company the minority shareholders of ILCL have to be issued and allotted 2,17,32,971 fully paid equity share of ₹ 10 each in the Company against 14,27,364 shares held by them.
5. The entire share capital of LEE is held by ILCL and consequently pursuant to the transfer of ILCL demerged undertaking, the entire capital of LEE (which forms part of ILCL demerged undertaking) will be held by the Company, no shares or consideration is to be issued / payable by the Company.
6. Inconsideration of the transfer of FVIL demerged undertaking to FLFL, equity shareholders of the Company have to be issued and allotted 1 (One) equity share of ₹ 2/- each of FLFL fully paid up for every 31 (thirty one) fully paid up equity shares of the Company held by them.
7. As an integral part of the scheme the face value of shares held by shareholders of the Company stands reduced from ₹ 10 to ₹ 6 each. Pursuant to the above, an amount of ₹ 63,919.07 Lakhs has been credited to Business Restructuring Reserve and has been set off against the goodwill aggregating to ₹ 63,203.56 Lakhs arising in the books of the Company pursuant to the Fashion scheme referred above and food scheme referred in 41 B below. The balance amount of ₹ 715.51 Lakhs remaining in the Business Restructuring Reserve has been transferred to Capital Reserve which shall be subject to adjustment of goodwill on giving effect to the Composite Scheme of Amalgamation and Arrangement with respect to Food Scheme which is pending before the Hon’ble High Court of Delhi for their sanction (Refer Note 41B(3)).

B. A composite scheme of Amalgamation and Arrangement (hereinafter referred as “Food Scheme”) between the Company, Future Consumer Enterprise Limited (“FCEL”), Express Retail Services Private Limited (“ERSPL”), and Think Fresh International Private Limited (“TFIPL”) and their respective shareholders and creditors has been sanctioned by Hon’ble Bombay High Court vide its order dated 10th May, 2013. As the relevant appointed date from which the arrangement under the scheme are effective fall in the Financial Year ended 31st March 2013 the said scheme has been given effect to in the financial statements.

Pursuant to the said "Food scheme":

1. The entire business and undertaking of FCEL relating to Consumer Goods business and related activities (FCEL demerged undertaking) stand transferred to and vested in the Company as a going concern w.e.f. 1st April, 2012.
2. Since the entire share capital of FCEL is held by the Company, no shares or consideration is to be issued / payable by the Company.
3. The other part of the scheme relating to transfer of entire business and undertaking relating to food business of ERSPL to the Company as a going concern and transfer of entire business and undertaking of TFIPL to the Company as a going concern is pending for sanction by Hon'ble High Court of Delhi. The scheme will be given effect to in the books with effect from 15th September, 2012, being the appointed date upon receipt of sanction of the said part of the scheme from Hon'ble High Court of Delhi and on completion of other regulatory formalities.

C. Disclosures relating to Amalgamation of Lee with the Company as required under AS 14:

Pursuant to the composite scheme of Amalgamation and Arrangement as explained in Para 41 A, the entire business and undertaking of LEE (the Amalgamating Company) stand transferred to and vested in the Company as a going concern w.e.f. 1st December, 2012. The accounting for this arrangement was done as per the scheme sanctioned by the Hon'ble Bombay High Court vide its order dated 10th May, 2013 and the same has been given effect to as under:

1. Lee is engaged in the business of manufacturing and retailing of lifestyle products, including denims, trousers, jackets, shirts and shoe under the "Lee Cooper Brand"
2. The Amalgamation has been accounted under the Purchase Method.
3. The entire assets and liabilities of LEE (the Amalgamating Company) has been accounted in the books of the Company at their respective fair values.
4. Since the entire share capital of LEE is held by ILCL and consequently pursuant to the transfer of ILCL demerged undertaking, the entire capital of LEE will be held by FVIL, no shares or consideration is to be issued / payable by the Company.
5. The difference between the value of assets net of liabilities of LEE and the value of investments in Lee held by the Company amounting to ₹ 209.97 Lakhs has been credited to Capital reserve. This amount is set-off against goodwill referred in Para 41 A7 above.

D. Disclosure relating to discontinued operations (Refer Note 41A3 above) as required under AS 24. Pursuant to the composite scheme of Amalgamation and Arrangement as explained in Para 41 A, the entire business and undertaking of fashion business of the company (FVIL demerged undertaking) stand transferred to and vested in FLFL as a going concern w.e.f. 1st January, 2013.

The amounts of revenue in respect of ordinary activities attributable to the discontinued operations during the current financial reporting period are ₹ 38,174.06 Lakhs (Previous Year ₹ 57,497.20 Lakhs). The amount of expenses in respect of ordinary activities attributable to the discontinued operations during the current financial reporting period are ₹ 39,366.84 Lakhs (Previous Year ₹ 57,197.77 Lakhs), which includes interest expense of ₹ 1,364.52 Lakhs (Previous Year ₹ 2,137.46 Lakhs).

The company does not carry any assets or liabilities relating to discontinued operations as at 31st March, 2013. The carrying value of assets and liabilities for such discontinued operations as at 31st March, 2012 aggregated to ₹ 53,955.00 Lakhs and ₹ 30,737.36 Lakhs respectively.

The amount of net cash flows attributable to the operating, investing and financing activities of the discontinued operation during the current financial reporting period are ₹ (4079.87) Lakhs, ₹ (1007.70) Lakhs and ₹ 4,094.93 Lakhs respectively and ₹ (1,979.42) Lakhs, ₹ (1,478.03) Lakhs and ₹ 4,265.46 Lakhs respectively for the corresponding previous year.

42. Disclosure relating to Accounting Standard 29:

Proportionate share in Joint Venture under “Provisions” includes provision for goods that are expected to be returned by other retailers based on sales made on “shop-in-shop” arrangements and provision for expected discounts to other retailers based on sales made on “shop-in-shop” arrangements.

Particulars	2012-13			2011-12		
	Sales Return	Discounts	Total	Sales Return	Discounts	Total
Opening Balance	205.00	69.50	274.50	86.50	71.25	157.75
Add:- Provision for the year	258.59	104.50	363.09	205.00	69.50	274.50
Less:- Utilization/Settlement	(205.00)	(69.50)	(274.50)	(86.50)	(71.25)	(157.75)
Transfer pursuant to the composite scheme of Amalgamation and Arrangement (Refer Note 41)	(258.59)	(104.50)	(363.09)	-	-	-
Closing Balance	-	-	-	205.00	69.50	274.50

43. Details of foreign currency payables that have not been hedged by a derivative instrument or otherwise are as under:

Currency	2012 – 13		2011 – 12	
	Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
Euro	-	-	4.36	283.84
Dollar	-	-	50.22	2,487.59

44. Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with the current year’s classification / disclosure. The results for the current year does not include the operations of demerged undertaking of the Company with effect from 1st January, 2013 as more explained in detail in Note 41. In view of this, the results for the current year are not comparable to the corresponding previous year.

For and on behalf of the Board of Directors

Kishore Biyani
Managing Director

G.N.Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head - Legal

Gopal Bihani
Vice President - Finance

Place : Mumbai
Date : 30th May, 2013

Financials Information of Subsidiary Companies for the year ended 31st March 2013

₹ in Lakhs

S. No	Name of Company	Share Capital	Reserves (Including Profit and Loss and A/c Debit Balance)	Total Assets	Total Liability	Investments (Except Investment in Subsidiaries)	Total Income	Profit/ (Loss) before Tax	Provision for Tax (Including Deferred Tax)	Profit / (Loss) after Tax	Proposed dividend (Including Taxes)
1	Aadhaar Wholesale Trading And Distribution Ltd (formerly known as Aadhaar Retailing Limited)	3,440.00	(1,409.56)	5,834.61	5,834.61	-	13,793.89	(2,214.41)	(31.01)	(2,245.42)	-
2	Amar Chitra Katha Private Limited	3.88	5,734.32	6,990.72	6,990.72	91.40	2,210.25	(667.97)	-	(667.97)	-
3	ACK Eaglemoss Collectibles Publishing Private Limited	1.00	(1.74)	0.86	0.86	-	-	(0.26)	-	(0.26)	-
4	ACK Edutainment Limited (formerly known as ACK Edutainment Private Limited)	14.00	(9.92)	4.14	4.14	-	-	(0.30)	-	(0.30)	-
5	ACK Media Direct Private Limited	6.00	(332.13)	139.19	139.19	-	226.14	(83.94)	-	(83.94)	-
6	IBH Books & Magazines Distributors Private Limited	50.00	107.42	3,318.15	3,318.15	-	4,772.58	(275.51)	-	(275.51)	-
7	Ideas Box Entertainment Limited (formerly known as Ideas Box Entertainment Private Limited)	90.00	(237.17)	399.24	399.24	-	411.80	(47.34)	-	(47.34)	-
8	Karadi Tales Company Private Limited	119.60	125.43	385.87	385.87	-	63.69	(55.38)	-	(55.38)	-
9	Express Retail Services Private Limited	9,340.00	(8,661.07)	2,329.67	2,329.67	-	11,383.76	(1,524.54)	-	(1,524.54)	-
10	Think Fresh International Private Limited	1.00	(70.05)	5.35	5.35	-	-	(31.49)	-	(31.49)	-
11	Future Consumer Enterprises Limited	113.00	126.68	245.45	245.45	0.43	32.55	24.18	8.17	16.01	-
12	Future Consumer Products Limited	245.00	(166.86)	91.96	91.96	0.10	145.08	(1.17)	-	(1.17)	-
13	Star And Sitara Wellness Private Limited	180.90	1,303.43	2,017.97	2,017.97	-	601.73	(315.33)	-	(315.33)	-

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

www.futureventures.in



Future Ready

FUTURE VENTURES INDIA LTD. - ANNUAL REPORT 2011 - 12



future ready

We are investing across the value chain in food and fashion consumption through mentoring and partnering with Indian entrepreneurs. Along with the winning entrepreneurs, we are co-creating brands, building infrastructure and creating capacities to drive growth in consumption of food and fashion. In order to capture tomorrow's consumption by the Indian middle class, we are Future Ready.

corporate information

BOARD OF DIRECTORS

CHAIRMAN

Mr. G.N. Bajpai

MANAGING DIRECTOR

Mr. Kishore Biyani

DIRECTORS

Mr. Anil Harish

Mr. B. Anand

Mr. Gaurav Burman

Mr. Jagdish Shenoy

Ms. Vibha Rishi (Appointed as an Additional
Director w.e.f 14th February, 2012)

CHIEF EXECUTIVE OFFICER

Mr. Krishan Kant Rath

VICE PRESIDENT, FINANCE

Mr. Gopal Bihani

COMPANY SECRETARY & HEAD-LEGAL

Mr. Manoj Gagvani

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells

BANKERS

HDFC Bank Limited

YES Bank Limited

Allahabad Bank

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400 060.

Tel No.: +91 22 3084 1300

Fax No.: +91 22 6644 2201

CORPORATE OFFICE

247 Park, Tower 'C'

LBS Marg, Vikhroli (West),

Mumbai - 400 083

Tel No.: +91 22 6199 4111

Fax No.: +91 22 6199 5391

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078

Tel No.: +91 22 2594 6970

Fax No.: +91 22 2594 6969



contents

Corporate Highlights	4
Directors' Report	8
Management Discussion and Anlysis	14
Corporate Governance Report	35
Auditors' Report	45
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50
Significant Accounting Policies and Notes to Accounts	51
Auditors' Report on Consolidated Accounts	75
Consolidated Balance Sheet	76
Consolidated Statement of Profit and Loss	77
Consolidated Cash Flow Statement	78
Significant Accounting Policies and Notes to Consolidated Accounts	80
Financial Information on Subsidiary Companies	111

from the managing director

With our support and involvement, we firmly believe that most of our business ventures will become the leading consumer companies and brands in India.

Dear Stakeholders,

We are pleased to share with you the Annual Report of Future Ventures India Limited (Future Ventures) for the financial year 2011-12.

Future Ventures is focused on investing in and building the value chain in food and fashion categories that attract the highest share of Indian consumers' wallet. These are also the categories that are going through the maximum amount of change as Indian consumers demand more value-added, branded and aspirational products. At Future Group, we now have over a decade of experience in retailing and distribution of consumer goods to Indian consumers. We believe, that during this period we have gathered some valuable insights, knowledge and expertise on the consumption categories and brands in India. At Future Ventures, we are using these insights and knowledge to build businesses across the value chain of fashion and food categories. We are investing in Indian entrepreneurs, who we believe have built credible brands and businesses and mentoring them in areas like strategy, brand development, consumer insights and use of technology and supply chain. With our support and involvement, we firmly believe that most of these businesses will become the leading consumer companies and brands in India.

It has been an eventful year at Future Ventures. Your trust and belief in our vision enabled us to successfully complete the Initial Public Offering of Future Ventures. Future Ventures today has a networth of ₹ 1,438 crore with investments in 15 fast growing businesses. During the year under review, Future Ventures made fresh investments of ₹ 99 crore in fashion business, ₹ 108 crore in the food and distribution business and ₹ 67 crore in increasing our stake in the company that owns iconic Indian brands like Amar Chitra Katha, Tinkle and Karadi Tales.

Despite the difficult market environment in the fashion and apparel category, your Company's fashion business grew by 62%. This was led by the flagship company, Indus League Clothing that posted a consolidated turnover on economic interest basis of ₹ 572 crore. Your Company has a 95.29% stake in this company.

BIBA is one of India's most popular women's wear brands. Led by a mother and son duo of Meena and Siddharth Bindra, the company has grown at a rapid pace and now has 87 exclusive outlets and a presence in 199 multi-brand outlets. A firm focus in driving an efficient growth strategy in the business helped the company increase its operating margins by 56% on a turnover of ₹ 169 crore. Future Ventures has increased its stake to 28.30% in the company.

Anita Dongre, a noted fashion designer in the Country who has been able to build a scalable fashion business operates the retail chain AND. The company also recently launched a new chain, GlobalDesi, focusing on fusion wear. The chain has gained immense popularity in a short period of time. AND Designs now has 73 exclusive outlets and a presence in 241 multi-brand outlets. During the year under review, the company crossed the ₹ 100 crore turnover mark and also managed to grow its operating profit by 58%.

Future Ventures is leading a similar phase of growth within its other businesses as well, including Turtle, Lee Cooper, Holii, IndusTree and its joint venture with French brand Cello. During the year under review, Future Ventures also invested into a joint venture with UK based globally renowned footwear brand Clarks. Within nine months of operations, the company has opened 15 exclusive outlets and established a point of presence in 152 multibrand outlets.



Food as a category attracts almost 60% of the total consumption expenditure of Indian consumers. However, the nature and composition of this consumption is undergoing a rapid change, as Indian consumers demand more value-added, processed and packaged food. However, despite the huge potential, food processing remains a small and fragmented industry in India, primarily due to the lack of investments and infrastructure in the sector. Buoyed by a new Government policy by the Ministry of Food Processing Industries, Future Ventures has started investing in the first integrated food park in the Country. The investment is being made through Capital Foods, wherein Future Ventures has a 43.76% stake. Located near Tumkur, Karnataka, the project aims at developing food processing infrastructure, with the objective of integrating “farm to plate” supply chain. We are working with a number of domestic and foreign food companies to set up their sourcing, processing and packaging facilities within the food park. The planned outlay for this project is ₹ 144 crore and is expected to generate business to the tune of over ₹ 1500 crore once it goes on-stream. We have taken over 110 acres of land and the development work at the park is in progress in full swing and it is expected to be operational in another 12-15 months; eventually becoming a ‘State of the art’ infrastructure to support growing food processing sector in India. Simultaneously your Company is scouting for similar opportunities in other parts of the Country.

The rural consumption market provides large untapped opportunities. However, distribution through traditional channel continues to be fraught with challenges due to the dispersed nature of the market and high costs. In order to convert this into an opportunity, Aadhaar Retailing Limited (Aadhaar) is piloting a unique model of building wholesale and distribution hubs in large towns, coupled with franchised stores that extend into villages in and around the town. Aadhaar has set up the first pilot wholesale market at Kalol in Gujarat and has received an encouraging response from rural retailers to manage franchise stores and source their merchandise from the Aadhaar wholesale market. On completion of the pilot phase, Aadhaar intends to extend this within and outside the state. Aadhaar continues to operate 35 other retail outlets in Punjab, Haryana and Gujarat.

Our business ventures engaged in packaged and branded

food business continues to grow with brands like Ching's Secret, Smith & Jones, Fresh & Pure, Premium Harvest, Sach, Caremate and Cleanmate. While the food business has grown by 26%, the continued focus on the working capital management has resulted in further improvement in Net Working Capital cycle by 13 days.

Future Ventures has made a strategic investment to revive and contemporize some of India's oldest iconic brands – Amar Chitra Katha, Tinkle and Karadi Tales and has a 65.84% in Amar Chitra Katha Private Limited (ACK). The company has started converting some of its products on digital platforms, offering merchandizing and licensing rights and strengthening its books and magazine distribution business. In a first, the company will launch its movie based on one of its most popular titles and produced in association with a leading children's television network. The company has also acquired the rights to publish and distribute international magazine 'National Geographic' and 'NG Traveller'. Both the magazine's India avatar is expected to hit the stands in July' 12.

As you would appreciate, building new businesses demands patience, perseverance and belief. My own journey as an entrepreneur involved as much joy from experiencing a new idea unfold into a successful business, as was frustration and eventual learning from making mistakes. While realizing mistakes is a part of the entrepreneurial journey, it is my belief that appropriate mentoring of the new businesses that we hold through Future Ventures can help many of these new businesses and entrepreneurs go through the learning curve faster and avoid many of the mistakes we may have made in our existing businesses. Few can doubt the potential of the consumption industry in India, and at Future Ventures we are here to indentify the best businesses and best entrepreneurs who can make the most of the consumption opportunities Indian consumers will provide in the near future.

Thank you for your continued trust, belief and patience in helping us realize our dream.

Rewrite Rules, Retain Values

Kishore Biyani

corporate highlights

During the year under review, Future Ventures sharpened its focus on investing in the value chain in food and fashion by helping the entrepreneurs and management of investee companies in strategy development, brand creation and exploring new market opportunities. It also supported the creation of India's first Integrated Food Park in Tumkur, Karnataka, and also made fresh investments in companies like Indus League, BIBA and Holii. It has also invested in one new Business Venture, Clarks Future Footwear Limited, a joint venture with marquee British footwear brand, Clarks.

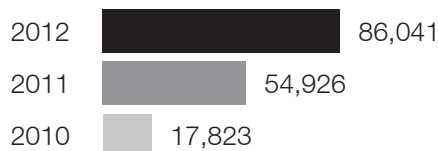
57%

INCREASE IN CONSOLIDATED
TOTAL INCOME IN FY 11-12

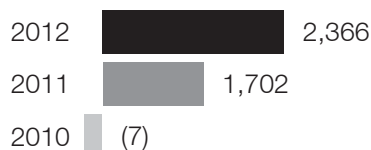
37.50%

INCREASE IN EBIDTA IN FY 11-12

TOTAL INCOME (₹ lakhs)



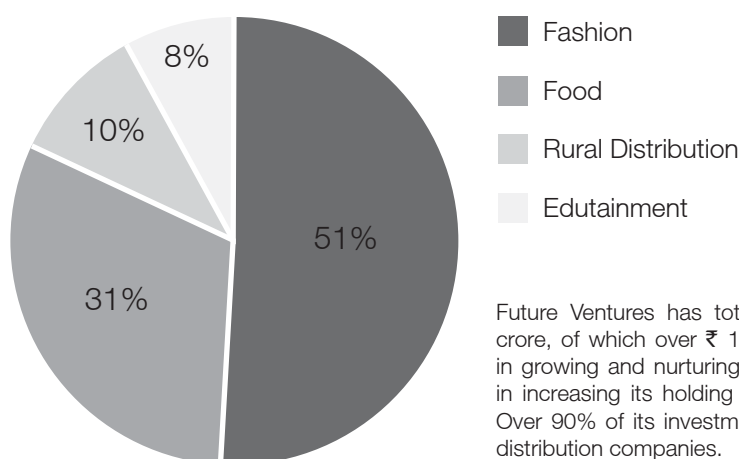
EBITDA (₹ lakhs)





investment portfolio

SECTOR PORTFOLIO



Future Ventures has total equity capital of ₹ 1,576 crore, of which over ₹ 1000 crore has been invested in growing and nurturing these businesses as well as in increasing its holding in the promising companies. Over 90% of its investments are in fashion, food and distribution companies.

BRAND PORTFOLIO

INDIGO NATION YOUNG LIKE THAT	SCULLERS	Lee Cooper	celio* *French fashion for men	DANIEL HECHTER PARIS	JEALOUS 21
URBANA THE MASTERPIECE	BIBA	AND	global desi	mother earth	Clarks
holii	TURTLE MENSWEAR + ACCESSORIES	Ching's SECRET	SMITH & JONES	care mate	FRESH PURE
CLEAN MATE	aadhaar आधार	AMAR CHITRA KATHA	Sach BY SACHIN TENDULKAR	Premium harvest	URBAN yoga

food

EARNINGS SNAPSHOT (₹ lakhs)

Economic Interest Basis



company stake

43.76%

CAPITAL FOODS EXPORTTS PRIVATE LTD

100%

FUTURE CONSUMER ENTERPRISES LTD

90%

FUTURE CONSUMER PRODUCTS LTD

**INTEGRATED FOOD PARK
PRIVATE LTD.**

(INVESTMENT THROUGH CAPITAL FOODS.)

KEY HIGHLIGHTS

Food and FMCG business turnover went up by 26% and net working capital cycle reduced by 13 days.

Raised its stake in Capital Foods Exportts Private Limited from 40.81% to 43.76% by investing ₹ 36 crore.

Company's Integrated Food Park at Tumkur, Karnataka is progressing well. The Food Park near Bangalore is expected to be fully operational in the next 15-18 months.

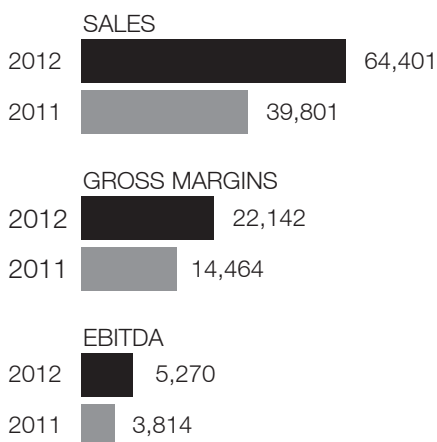
Your Company is exploring possibilities to invest in such Food Parks in the West, East and North of India. Your Company is also exploring investment opportunities in different food and distribution companies to strengthen its product and brand portfolio.



fashion

EARNINGS SNAPSHOT (₹ lakhs)

Economic Interest Basis



KEY HIGHLIGHTS

Fashion Business turnover went up by 62% and net working capital cycle reduced by 28 days.

Invested in a Joint Venture with UK based globally known footwear brand "Clarks". The Company has invested ₹ 23.30 crore in Clarks Future Footwear Limited.

Your Company has also raised its stake in Indus-League Clothing Limited, BIBA Apparels Private Limited and Indus Tree Crafts Private Limited by investing ₹ 74.71 crore.

Your Company has invested ₹ 1 crore in Holii Accessories Private Limited to support the growth of business.

company stake

95.29%

INDUS-LEAGUE CLOTHING LTD.

49.99%

CELIO FUTURE FASHION LTD
(JOINT VENTURE OF INDUS LEAGUE)

100%

LEE COOPER (INDIA) LTD
(SUBSIDIARY OF INDUS LEAGUE)

26%

TURTLE LTD
(ASSOCIATE OF INDUS LEAGUE)

22.86%

AND DESIGNS INDIA LTD.

28.30%

BIBA APPARELS PRIVATE LTD.

50%

HOLII ACCESSORIES PRIVATE LTD.

63.34%

INDUS TREE CRAFTS PRIVATE LTD.

50%

CLARKS FUTURE FOOTWEAR LTD.

the directors' report

Dear Shareholders,

Your Directors have pleasure in presenting the 16th Annual Report and the Audited Accounts of Future Ventures India Limited (Company), for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

The summarised financial performance (Standalone and Consolidated) of the Company for 2011-12 and 2010-11 is given below:

(₹ lakhs)

	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Total Income	5,531.72	1,311.64	86,041.10	54,926.12
Profit / (Loss) before Tax & Exceptional Items	2,255.25	352.78	(2,335.73)	(3,219.27)
Less: Exceptional Items	3,100.30	448.03	3,322.77	448.03
Profit / (Loss) before Tax	(845.05)	(95.25)	(5,658.50)	(3,667.30)
Profit / (Loss) After Tax	(1,366.99)	(67.25)	(6,538.72)	(3,940.97)
Profit / (Loss) After Share of Associates and Minority Interest	-	-	(4176.64)	(2751.92)
Profit / (Loss) available for appropriation	(1,532.32)	(165.33)	(14,461.95)	(10,305.47)
Balance carried to Balance Sheet	(1,532.32)	(165.33)	(14,461.95)	(10,305.47)

Performance during the year under review

On a standalone basis the total income for the current year was ₹ 5,531.72 lakhs as against ₹ 1,311.64 lakhs showing an increase of 322% over previous year. The expenses towards Initial Public Offer of ₹ 3,100.30 lakhs incurred during the year have been charged against the current year's profit. The profit after tax was ₹ 1,733.31 lakhs before charging of IPO expenses.

On a consolidated basis our total income increased to ₹ 86,041.10 lakhs in fiscal 2012 from ₹ 54,926.12 lakhs

in fiscal 2011 thereby registering a growth of 57%. On consolidated basis loss after tax (before IPO expenses) was ₹ 3,438.42 lakhs for the current year.

Your Company does not have any indebtedness on a standalone basis. Your Company's secured and unsecured debt position as at 31st March, 2012 is on account of consolidated reporting.

The year under review has been significant for the Company. Your Company has strengthened its position in the Fashion, Rural Distribution, Food and FMCG sectors by investing further in companies like Indus-



League Clothing Limited, Holii Accessories Private Limited, Indus-Tree Crafts Private Limited, Aadhaar Retailing Limited, Future Consumer Enterprises Limited, Future Consumer Products Limited and Capital Foods Exportts Private Limited. Your Company has also strengthened its position in edutainment business by making further investment in Amar Chitra Katha Private Limited thus increasing its stake from 13.65% to 65.84% (on fully diluted basis).

Your Company has during the year under review, made investment in one new business venture viz. Clarks Future Footwear Limited (Clarks), a 50:50 joint venture between the Company and C & J Clark International Limited, England.

Details of the financial performance of each of various business segments are discussed in the Management Discussion and Analysis Report, which is annexed and forms an integral part of the Directors' Report.

Future outlook

Despite the declining growth of the Indian economy, during the year under review, our businesses have performed reasonably well. We believe that while global economic outlook seems grim, the Indian growth should again pick up the pace rapidly. The inherent strengths of Indian economy like favourable demographics, entrepreneurship spirit, increasing aspirational population will continue to drive the consumption at a much faster pace. We hope that after a long pause, the Government will resume the reform process and unlock the growth potential at a larger scale. Our businesses are well positioned to take advantage of the next wave of growth in consumption, which we believe is imminent.

Initial public offer

Post completion of initial public offer (IPO) of equity shares during May, 2011, your Company has utilized part of the funds raised under the IPO as per the objects of the Issue.

In terms of the provisions of Clause 5A of the Listing Agreement, details about unclaimed shares under IPO in suspense account as on 31st March, 2012 is as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on the date of allotment i.e 5 th May, 2011	26	91,200
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 st March, 2012	18	55,200
Number of shareholders to whom shares were transferred from suspense account upto 31 st March, 2012	18	55,200
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 st March, 2012	8	36,000*

* includes 1,200 shares not credited to the suspense account on 31st March, 2012 for technical reasons, which have been credited subsequently.

The Company has opened separate suspense account with National Securities Depository Limited and Central Depository Services Limited and has credited the said unclaimed shares to the Suspense Accounts in compliance with requirements of the Listing Agreement.

The voting rights in respect of shares maintained under

the Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

Dividend

Your Directors have not recommended any dividend on equity shares for the financial year under review due to non availability of profit for appropriation.

Subsidiary companies

As at 31st March, 2012, your Company had following subsidiaries:

- Indus-League Clothing Limited
- Indus Tree Crafts Private Limited
- Indus Tree Producer Transform Private Limited
- Aadhaar Retailing Limited
- Future Consumer Enterprises Limited
- Future Consumer Products Limited
- Lee Cooper (India) Limited
- Amar Chitra Katha Private Limited
- ACK Edutainment Private Limited
- ACK Media Direct Private Limited
- IBH Books & Magazines Distributors Private Limited
- Ideas Box Entertainment Private Limited
- Karadi Tales Company Private Limited
- ACK Eaglemoss Collectibles Publishing Private Limited

Pursuant to the general circular No. 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively issued by Ministry of Corporate Affairs (MCA) and in terms of the general exemption granted by MCA, copies of Balance Sheet, the Statement of Profit and Loss, report of the Board of Directors and that of the Auditors in respect of the subsidiaries as at 31st March, 2012 have not been attached to the Balance Sheet of your Company.

The aforesaid documents in respect of the respective subsidiary companies can be made available upon a request made to the Company from the Shareholders interested in obtaining the same. The documents in respect of aforesaid subsidiary companies are also available for inspection at the registered office of the Company on any working day during business hours. As directed by MCA, the financial data of subsidiaries has been furnished under the section 'Financial Information on Subsidiary Companies' forming part of this Annual Report.

RBI regulations

Your Company is a Non-Deposit Accepting or Holding Systemically Important Non-Banking Finance Company (SI-ND-NBFC) and is in compliance with the applicable regulations prescribed by the Reserve Bank of India (RBI). On an application made by the Company, RBI has granted provisional exemption to the Company from compliance to thresholds prescribed under Para 18 of the Prudential Norms in respect of concentration of credit/investment norms.

In terms of the framework of RBI, the Company has made an application for registration as a Core Investment Company.

Public deposits

Your Company has not accepted any deposits from the public during the year under review and shall not accept any deposits without obtaining prior approval of the Reserve Bank of India.

Directors

Ms. Vibha Rishi has been appointed as an Additional Director of the Company with effect from 14th February, 2012. In accordance with the provisions of Section 260 of the Companies Act, 1956, Ms. Vibha Rishi shall hold office only upto the date of the ensuing Annual General Meeting. In accordance with the provisions of the Section 257 of the Companies Act, 1956, the Company has received notice from a Member of the Company proposing her candidature for office of a Director.

In terms of the provisions of the Companies Act, 1956, Mr. B. Anand and Mr. G. N. Bajpai retire from the Board of Directors of the Company by rotation and being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting. None of the Directors are disqualified for appointment / re-appointment under Section 274(1)(g) of the Companies Act, 1956.

The Notice convening the ensuing Annual General Meeting include the proposals for appointment / re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting and other details as required to be disclosed in terms of Clause 49 of the Listing Agreement forms part of the Notice for the ensuing Annual General Meeting. None of the Directors are related inter-se to each other.

Corporate governance

A report on Corporate Governance together with Auditors' Certificate as required under Clause 49 of the Listing Agreement forms part of this Annual Report.

Management discussion & analysis report

The Management Discussion & Analysis Report as required under Clause 49 of the Listing Agreement is presented separately and forms part of this Annual Report.

Consolidated financial statements

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the



Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

Auditors and auditors' report

M/s Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company hold office until conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Statutory Auditors have issued a letter to the Company as required under Section 224 (1B) of the Companies Act, 1956, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Directors' responsibility statement

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

(a) that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) 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 as at 31st March, 2012 and of the profit or loss of the Company on that date;

(c) that the Directors had 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 fraud and other irregularities;

(d) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2012, on a going concern basis.

Particulars of employees and employees stock option plan-2011

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of certain employees are required to be set out in an Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report excluding the aforesaid information is being sent to all the Shareholders of the Company and

others entitled thereto. Shareholders who are interested in obtaining such particulars may write to the Company at its Registered Office.

The disclosures as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) are annexed and forms part of this Report (Annexure 1).

The Company has received the Certificate from its Statutory Auditors stating that the scheme has been implemented in accordance with SEBI Guidelines and resolution passed by the Shareholders.

Particulars of energy conservation, technology absorption, expenditure on research and development, foreign exchange inflow/outflow etc

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of Conservation of Energy, Technology Absorption, in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. However the Company takes all possible efforts towards energy conservation.

The requirement for disclosure with regard to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology.

The details in respect of Foreign Exchange earnings/outgo during the year under review, is provided in Note no. 31 under Notes to Accounts.

Acknowledgement

Your Directors would like to thank and place on record their appreciation for the support and co-operation provided to your Company by its Shareholders, Future Group entities, and in particular, their employees, regulatory authorities and its bankers. Your Directors would also like to place on record their appreciation for the efforts put in by employees of the Company during the year.

For and on behalf of the Board of Directors

G. N. Bajpai
Chairman

Date: 24th May, 2012
Place: Mumbai

Annexure 1 to directors' report

Disclosures as required under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines).

FVIL Employees Stock Option Plan-2011:

Sr. No	Particulars	Grant I (Pre-listing)	Grant II
(a)	Options granted	13,280,000	2,055,000
(b)	Pricing Formula	₹ 10 per equity share	As prescribed under the SEBI Guidelines or ₹10 per equity share, whichever is higher.
(c)	Options Vested	3,909,000	Nil
(d)	Options exercised	Nil	Nil
(e)	The total number of shares arising as a result of exercise of Option	Nil	Nil
(f)	Options lapsed /cancelled	250,000	Nil
(g)	Variation of terms of Options	Nil	Nil
(h)	Money realized by exercise of Options	Nil	Nil
(i)	Total number of Options in force	13,030,000	2,055,000
(j)	Employee wise details of options granted to:		
	Senior Managerial Personnel (Directors and Key Managerial Personnel)	Refer Note 1	Refer Note 1
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil
	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	Nil	Nil
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ (0.10) for the financial year ended 31 st March, 2012	
(l)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognised if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Had the Company followed the fair value method of stock options compensation expense would have been higher by ₹ 186.04 lakhs with consequent lower profits. On account of the same the diluted EPS of the Company would have been less by ₹ 0.01 per share	
(m)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average price of option is ₹ 10 each and fair value of option is ₹ 2.36 each	The exercise price in respect of Options granted shall be determined by the Committee and shall not be less than the face value of one equity share of the Company (₹ 10 per share). Fair Value of Option is ₹ 3.22 each



- (n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: Refer Note 2 below
- (i) risk free interest rate;
 - (ii) expected life;
 - (iii) expected volatility;
 - (iv) expected dividend; and
 - (v) the price of the underlying share in market at the time of option grant

Note 1: Details of Options granted to Directors and/or Key Managerial Personnel of the Company and its Subsidiaries are as under:

Sr. No.	Name of the Option Grantee(s)	No. of Options Granted	
		Grant I (Pre-listing)	Grant II
A	Directors		
1	Mr. G. N. Bajpai	250,000	Nil
2.	Mr. B. Anand	1,000,000	Nil
B.	Key Managerial Personnel		
1	Mr. K K. Rathi	8,200,000	Nil
2	Mr. C. P Toshniwal	1,000,000	
3	Ms. Rachna Aggarwal	Nil	750,000
4	Mr. Arun Gupta	Nil	750,000
5	Mr. Harsha Saksena	Nil	500,000
6	Mr. Praveen Dwivedi	500,000	Nil
7	Mr. Devendra Chawla	500,000	Nil
8	Mr. Raminder Singh Rekhi	500,000	Nil
9	Mr. Damodar Mall	500,000	Nil
10	Mr. Manoj Gagvani	250,000	Nil
11	Mr. Gopal Bihani	250,000	Nil
12	Ms. Meenakshi Maheshwari	250,000	Nil

Note 2: Description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted average information:

FVIL Employees Stock Option Plan - 2011		
	Grant I (Pre-listing)	Grant II
1. Fair Value Methodology	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.
2. Risk free interest rate	7.79%	8.27%
3. Expected life	2.50 years	2.50 years
4. Expected volatility	Since the Company was unlisted, zero volatility considered	29.07%
5. Expected dividend	The Company has not declared dividend, hence dividend has not been considered	The Company has not declared dividend, hence dividend has not been considered
6. Price of the underlying share in market at the time of option grant	At the time of granting Options, shares of the Company were not listed	₹ 8.75

management discussion and analysis

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business ventures and the segments in which they operate.

Management Discussions and Analysis (MDA) is structured as follows:

- Economy Overview
- Business and Performance Overview
- Competitive Landscape
- Risks and Threats
- Internal Controls and their adequacy
- Review of Financial Performance

Some statements in this discussion may be forward looking. Future performance may however differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, competing products and their pricing, product demand and supply constraints. Certain financial numbers mentioned in the MDA for various companies have been mentioned based on our economic interest (Our share in the equity of the investee company multiplied by its financial parameter), therefore the same may vary from the figures considered in consolidated accounts which are included based on principles of accounting.

Economy overview

While the world economy is in a recessionary phase, the Indian economy faced a difficult year with substantial growth moderation. Despite challenging economic conditions, the Indian economy continued to grow around 6.90% in the last financial year 2011-12. It still remains vulnerable to both internal and external factors

like, high inflation, depreciating rupee, high oil prices and uncertain global scenario. As there are mixed signals from the world economy, India's return to recent high growth rates shall depend on further fiscal reforms and steps to improve the Country's investment climate.

The economy also faced problem of elevated price pressure and some form of policy imbroglio, which impacted general business sentiments. These may not have immediate solutions but it will be critical how these issues are addressed by the Government in order to instill confidence within the various economic participants.

We expect the Indian economy to be in a stronger position as compared to difficulties faced over last year. The demographic led consumption story makes a very strong case for India with almost 58% of GDP consumed internally. Strong internal demand kept India going and shielded it from external uncertainties. A large domestic market led by the emergence of a soaring middle class population, investor-friendly policies, availability of skills and demographic prospects are some of the strong positives that are the bedrock of the Indian growth story.

Business and performance overview

Being part of the consumption growth in India, your Company continues its focus to strengthen its position in developing, acquiring and partnering of businesses in the Fashion Apparel and Accessories, FMCG and Food Processing, Rural Distribution and Edutainment,



which constitute a significant portion of the household expenditure. The large size of the addressable domestic market and its steady expansion when viewed with the relatively low current level of penetration coupled with higher organised retail penetration suggests significant headroom for future growth of branded fashion and processed food. Your Company has positioned itself well for this anticipated growth in business with an appropriate structure, strategy and capabilities. Considering the opportunity in the integrated food play, your Company has successfully generated a strong pipeline for the future investment in Food, FMCG and distribution segment. Your Company, through Capital Foods Limited, is also setting up an Integrated Food Park, which will set a benchmark in the food processing industry in India. Further investments shall help in capturing the complete value chain of food processing industry from farm to fork.

Your Company believes in applying a disciplined investment approach and building strong partnerships with highly-motivated management teams and entrepreneurs. The investment objective is to catalyze the growth of emerging or potentially high-growth business opportunities through active participation as investors and mentors.

During the year under review, your Company invested ₹ 9,900 lakhs in new businesses and further consolidating its position in fashion business, ₹ 8,734 lakhs in FMCG & Food Processing business, ₹ 2,100 lakhs in Rural Distribution and ₹ 6,696 lakhs in Edutainment business.

Your Company has total equity capital of ₹ 1,576 crore, of which over ₹ 1000 crore has been invested in growing and nurturing these businesses as well as in increasing its holding in the promising companies.

indigo nation
mother earth
scullers
lee cooper
anita dongre
holii
bibba





fashion

Our investment in the fashion space covers the entire value chain in the category, coupled with presence in almost every sub-category in the sector.

Apparels – dressing the world over

The Indian apparel industry is expected to grow at a CAGR of 8.70 per cent till FY16. The growth would primarily be driven by the surge in demand for branded readymade apparels by domestic consumers in rural and urban areas due to rising income levels, young population and increasing preference for branded apparels.

The domestic apparel industry comprises of five segments – menswear, womens wear, Kids wear, unisex and uniforms further bifurcated in formal and casuals. Our portfolio consist of companies with wide spectrum of 25 national and internationally recognized brands like Lee Cooper, Manchester United, John Miller, Turtle, Indigo Nation, Scullers, Daniel Hechter, Lombard, Celio, AND, Clarks, BIBA, etc. They are present in mens, womens and kids segment in formal, casual and ethnic wears including accessories at various price points.



Apparel industry's profitability is mainly influenced by the raw material and input prices. Domestic players enjoy better margins as against the exporters. The raw material prices for apparel players have been on rise in the recent past due to the soaring cotton and crude oil prices.

Indian apparel Industry has been unable to pass on the rise in cost to the consumers due to the stiff competition and limited pricing power. Therefore, the margins of the apparel manufacturers have been affected and are expected to remain subdued over the medium term. Buoyancy in domestic demand is the key to the future profitability.

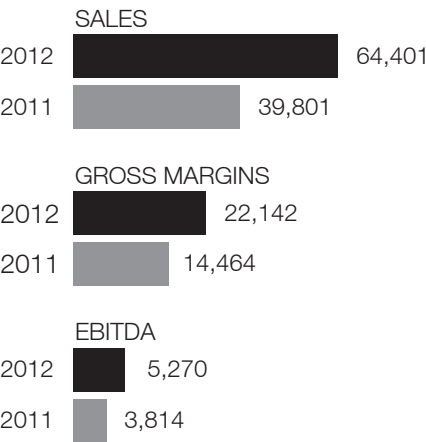
All these brands have a strong retail network through their own Exclusive Brand Outlets (EBOs) as well as Multi Brand Outlets (MBOs) and presence in modern retail. Few of the brands are also exploring the franchisee model and trying to expand its reach through general distribution mode. They are targeting E-commerce as another big channel of distribution for the brands to expand their reach and brand presence in Indian and International markets. The consolidated revenue in the category is expected to grow by 30 -40% and with impetus on cost reduction and change in sales mix, the EBIDTA is expected to improve from current levels. Considering the fast changing customer preferences, it is necessary for the industry to keep a track of major changes in apparel trends for consumer preferences and emergent opportunities with tight working capital management.

The revenues of our fashion segment have grown considerably over previous year. Based on the economic interest (Company's share in the equity of the venture multiplied by its financial parameter), the segment's aggregate turnover for the FY 2011-12

CAPTURING THE VALUE CHAIN IN FASHION.

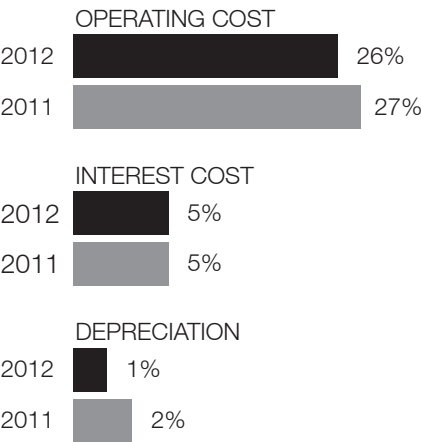


EARNINGS SNAPSHOT (₹ lakhs)
Economic Interest Basis



registered a growth of 62%. Better absorption of fixed costs over increased sales base has resulted in reduction in operating cost as percentage of overall sales though EBITDA margins are lower due to increase in cost of materials and imposition of excise duty on branded apparels.

COSTS% OF SALES



The segment has been focusing on the working capital management. Net Working Capital Cycle (Inventory + Debtors-Creditors) has improved by 28 days, during the year under review.



During the fiscal year 2011-12, your Company has invested into a Joint Venture with UK based globally renowned footwear brand “Clarks”. Your Company has made investments to the tune of ₹ 23.30 crore in Clarks Future Footwear Limited. Your Company has also raised its stake in Indus-League Clothing Limited, BIBA Apparels Private Limited and Indus Tree Crafts Private Limited by investing an aggregate of ₹ 74.71 crore. It has invested ₹ 1 crore in Holii Accessories Private Limited to support the growth of business. These brands are expanding their retail footprint and have been receiving encouraging response from the market. Your Company believes that these brands have strengthened and diversified its fashion portfolio in apparels and accessories.

1. Indus-league clothing limited (Indus League)

Indus League started its operations in 1999. It is one of the largest fashion companies with a wide array of branded apparels and accessories. It is uniquely positioned as a designer, manufacturer and retailer of ready-made garments in mens and womens casual and formal wear through established brands such as “Indigo Nation”, “John Miller”, “Scullers”, “Urbana”, “Daniel Hechter”, “Urban Yoga”, “Manchester United” and “Jealous”. Indus League has market presence in India, Sri Lanka and Middle East. Indus League operates through 108 exclusive brand outlets and 191 multi-brand outlets. During the year under review, Indus League has opened 4 Manchester United EBOs in Mumbai, Kolkata and Pune, which have received an encouraging response. Indus League has tied up with the fast growing E-commerce sites and franchisee route to expand its retail reach in tier 2 and tier 3 cities.

Indus League in terms of its holding in Celio Future Fashion Limited (49.99%), Lee Cooper (India) Limited (100%), and Turtle Limited (26%) has reported consolidated turnover on economic interest basis of ₹ 572.03 crore and operating profit / EBIDTA of ₹ 45.60 crore for fiscal year ended 2012. It has registered a turnover growth of 41% over last year. EBIDTA % has been lower on account of impact of excise duty and increasing input costs.

We believe that with wide array of brands and reach, Indus League is well positioned to grow its fashion business rapidly. Indus League will continue to expand its reach by opening exclusive brand outlets, stores in multi brand outlets, E-commerce and traditional distribution network in the coming year.



2. Biba apparels private limited (BIBA)

BIBA has an established presence in women ethnic wear segment in India since 1988, which includes ethnic ensembles (salwar, kameez and dupatta), mix and match readymade clothing and unstitched fabric lengths all under the brand “BIBA”. BIBA has also received an overwhelming response to its kidswear collection launched during the year under review. BIBA operates through 87 exclusive brand outlets and 199 multi-brand outlets.

For fiscal year ended 2012, BIBA has reported aggregate turnover of ₹ 168.84 crore and operating profit/EBITDA of ₹ 39.51 crore, which has grown by 24% and 56% respectively over previous year. The operating margin has improved on account of better product mix and realisation.

3. AND designs india limited (AND)

AND is a well established and one of the largest brand in Designer Apparel for Women under the Brand “AND”, “Anita Dongre Inter Pret”, a mix and match western wear fashion brand, “Anita Dongre Timeless”, a custom made occasion wear, “GRASSROOT”, an organic clothing line and “Globaldesi”, an ethnic fusion wear. During the year under review, AND launched an exclusive designer wear bridal collection and menswear under the brands Anita Dongre Inter Pret and AD man and AND, thereby further consolidating its portfolio and its position in Western, Casual, ethnic and Formal women wear and mens wear. AND operates through 73 exclusive brand outlets and 241 multi-brand outlets.

For fiscal year ended 2012, AND reported aggregate turnover of ₹ 118.76 crore and operating profit/EBITDA of ₹ 22.56 crore registering a growth of 44% and 58 % respectively over previous year.

AND already has a strong portfolio of well recognised brands in women wear. AND has further added new categories to its women wear range and with the launch of menswear, it has further strengthened its portfolio.

4. Indus tree crafts private limited (Indus Tree)

Mother Earth is a “for Profit” social entrepreneurship driven by triple bottom line-financial, social and environmental. Indus Tree is engaged in the design, creation, domestic retailing and distribution and export of a wide range of environmentally and socially sustainable products, which include apparels, personal accessories, furniture, handicrafts and home linen and are marketed under the brand “Mother Earth”. Most of the products sold by Indus Tree are hand crafted by over 4,000 artisans, craftsmen and self-help groups across India. It operates through 6 exclusive outlets and 33 multi brand outlets.

A social fund “Grassroot Business Fund” based in United States, has extended financial assistance to Indus Tree during the year under review.

For fiscal year ended 2012, Indus Tree had aggregate sales of ₹ 14.81 crore and operating/EBITDA loss of ₹ 3.67 crore. Indus Tree has ambitious plans to touch more lives and scale up its operations profitably by expanding its reach in domestic and international market.

5. Holii accessories private limited (Holii)

Holii was incorporated in 2009 as a joint venture with Hidesign India Private Limited. It is in the business of designing and distributing fashion accessories, such as luxury handbags, wallets and other leather products for women, under the brand name “Holii”. It operates through 11 exclusive outlets and 68 multi brand outlets.

For fiscal year ended 2012, Holii reported turnover of ₹ 5.70 crore and operating/EBITDA loss of ₹ 1.81 crore.

6. Clarks future footwear limited (CFFL)

CFFL is a joint venture between Future Ventures India Limited and C&J Clark International Limited (Clarks), which is licensed to use the brand “Clarks” which carries a strong brand image across the globe, backed by footwear expertise of Clarks which is supported by world class research of over 185 years.



Clarks was established in 1825 and is based in Somerset, United Kingdom. It is an international footwear retailer. It is the fourth largest manufacturer and retailer of shoes in the world. Clarks products are being sold in over a 100 countries, with more than a 1,000 stores selling above 50 million pairs a year also giving employment to over 13,000 people. Clarks multi-channel retailing facility provides an online access to complete range of children's, men's and women's footwear and handbag to customers. Clarks has registered a total turnover of \$1.4 billion in 2010. Clarks' major markets include UK (the top market for the brand) US, Japan, Malaysia, Singapore, Europe and China.

In its first 9 months of operations, CFFL reported a turnover of ₹ 23.53 crore and operating/EBITDA loss of ₹ 7.73 crore. CFFL has opened 15 exclusive brands outlets and 152 multi brand outlets. The brand has been well accepted by the Indian customers and is set to become one of the most preferred brand in footwear.

CFFL's operations are in built up phase and with increase in the number of stores through exclusive and multibrand outlets, the turnover of CFFL is expected to increase multifold.

tasty treat
chings
smith & jones
care mate
fresh & pure
sach





food

The total food production in India is expected to double in the next ten years and there is ample opportunity for huge investments in food and food processing technologies, skills and equipments.

The Indian food and beverages market has witnessed strong growth over the past few years. Liberalisation of the economy and growing income of middle class population have had a positive impact on consumer spending and consumption in both rural and urban areas. Indian consumers now spend a significant proportion of their income on food and other essential commodities. Numerous other factors like demographic and macro-economic conditions have also given boost to expenditure on food and beverages in the Country.

The food processing industry in India stands at US\$ 135 billion and is projected to grow with a compound annual growth rate (CAGR) of 20 per cent over the next five years so as to reach US\$ 200 billion by 2015.

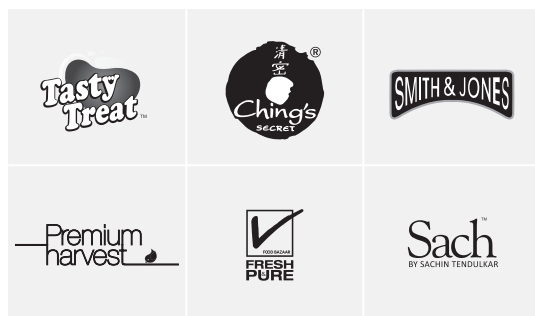
The food processing industry in India is witnessing quick growth. Overall the branded players in the processed foods category are expected to grow much faster than the total market. In addition to the demand side, there are changes happening on the supply side as well with the growth in organised retail, increasing foreign direct investment (FDI) in food processing and

introduction of new products. Although there shall be competition from the International brands and products, but we believe that with unique preference and taste of Indian consumers, there shall be huge opportunity for Indian based companies to cater to the changing preferences of Indian customer. With massive scope for value addition, growing trend in the consumption pattern of processed food products in India and many fiscal incentives being planned by the Government, this sector is poised for a hyper growth in the future. Government incentives in the field of mega food parks, cold chain and exports benefits are also playing an important role in encouraging food processing.

Future Ventures supports new and fast growing brands in the home and personal care and processed and packaged food segment that are retailed through Food Bazaar, KB's Fairprice, rural distribution network, Aadhaar and an independent distribution network of Capital Foods. Supply side shall further be strengthened by creating Integrated food park thus capturing the entire value chain from sourcing from farmers in vicinity to processing and packaging of food products and distribution to retailers.

Our Integrated Food Park at Tumkur, Karnataka is progressing well after some delay in land acquisition. The land has been allotted and the contracts for the building and infrastructure are being finalised. The Food Park near Bangalore is expected to be fully operational in the next 15-18 months.

During the year, your Company has raised its stake in Capital Foods Exportts Private Limited from 40.81% to 43.76% by additionally investing ₹ 36 crore.



CAPTURING THE VALUE CHAIN IN FOOD

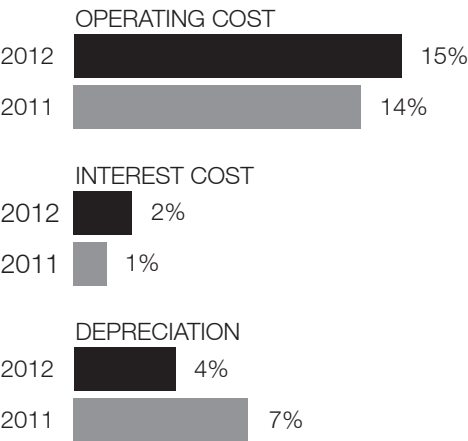


EARNINGS SNAPSHOT (₹ lakhs)

Economic Interest Basis



COSTS% OF SALES



The revenues of our Food and FMCG segment have grown considerably over previous year. Based on the economic interest the segment’s aggregate turnover for the FY 2011-12 registered a growth of 26%.

The continued focus on the working capital management has resulted in further improvement in Net Working Capital cycle (Inventory+Debtors-Creditors) by 13 days, for the year under review.

To further strengthen our position in the processed food business, your Company is exploring possibilities to invest in such Food Parks in the West, East and North

of India. Your Company is also exploring investment opportunities in different food and distribution companies to strengthen its product and brand portfolio.

1. Capital foods exportts private limited (Capital Foods)

Capital Foods is a 13 year old company which has developed packaged ready to cook and ready to eat products such as instant noodles, sauces, chutneys, hakka noodles, vinegar under its brands, “Chings Secret” and “Smith& Jones”. During the year under



review, Capital Foods has launched innovative and easy to use packaging for its pouring sauces and garlic paste. It currently has 900+ C&F agents and distributors across 250 cities for general distribution reaching more than 1,40,000 retailers. It also sells directly to modern retail. It also exports products to various countries.

For fiscal year ended 2012, Capital Foods reported a consolidated turnover of ₹ 123.22 crore and operating profit/EBITDA of ₹ 14.56 crore, showing growth of 12% and 28% respectively over previous year.

Capital Foods has matured as a significant domestic player after starting primarily as an export oriented company. It has created platform for itself from where it can grow disproportionately. Capital Foods is in process of launching a new brand to capture huge potential in the unbranded grocery market in India.

2. Integrated food park private limited (IFPPL) – mega food park project

IFPPL is a SPV incorporated to set up food processing infrastructure in Tumkur, Karnataka under the Mega Food Park Scheme of Ministry of Food Processing Industries, Government of India. The project has been awarded to IFPPL in April 2011 by MoFPI. The planned outlay of the project is estimated at ₹ 144 crore.

The project will aim at developing food processing infrastructure, with the objective of integrating “farm to plate” supply chain. The site for the project is located about 100 kms from Bangalore, in Vasanthanarsapura Industrial Area in Kora Taluk, Tumkur District, Karnataka.

Over last 15 months, the project has been advancing in its planning and development. Possession of the land of 110 acres was completed in March 2012.

Development of Hub and Spoke infrastructure and modern Food Processing facility has been envisaged, wherein collection centers will support the Core Processing and Food Manufacturing and will facilitate operations of Fresh produce and Staples.

Much desired facilities of efficient handling, storage and distribution of Food products in a safe, hygienic and compliant environment are being created in the Food Park

3. Future consumer enterprises limited (FCEL)

FCEL owns exclusive right to sell and distribute various food and FMCG products under the various brands (Tasty Treat, Fresh & Pure, Clean Mate, Care Mate, Premium Harvest, SACH, Disney, Ektaa). FCEL has launched various products and innovative packaging during the year which has been very well appreciated by the customers.

For fiscal year ended 2012, FCEL reported a turnover of ₹ 103.65 crore and operating profit/EBITDA loss of ₹ 0.24 crore. The revenue registered a growth of 30% over the last year.

We believe that the products launched by FCEL have huge potential having demonstrated consistent growth in a competitive in-store environment. FCEL has received an overwhelming response in the rural market where its products are distributed by Aadhaar Retailing Limited. Seeing the response, FCEL is exploring other distribution channels to distribute its products in the general trade. FCEL is in the process of launching a personal care brand which will expand its portfolio of products offering.

4. Future consumer products limited (FCPL)

Your Company has 90% stake in FCPL, which owns the brand “Sach” in association with legendary cricketer Sachin Tendulkar. The brand stands for purity and honesty. Various products have been launched in categories such as dental care & hygiene, personal care, juices and apparels under the brand “Sach”. These products have been well received in the market. The entire marketing of products is through Future Consumer Enterprises Limited and Future Value Retail Limited which are exclusive licensee(s) for this purpose.

aadhaar
rural distribution
retailing
economic
new growth





rural distribution

Over the last few years, much emphasis has been given on the empowerment of rural India, which has translated into impressive economic growth.

With rural markets representing the heartland of the true culture and demographic identity of India, the market assumes great significance as majority of India lives in the rural and semi rural areas. The rural market represents the largest potential market in the Country. With over 70 per cent of India's population residing in rural areas, capturing these markets is becoming one of the most lucrative targets for all sectors.

Over the last few years, much emphasis has been given on the empowerment of rural India, which has translated into impressive economic growth. Key drivers behind this growth include Government initiatives and schemes, infrastructure development, industry projects across the country and the emphasis on local-employability.

With rapid penetration of communication and broadcasting services in the rural areas, the demand for lifestyle products is rapidly increasing, providing huge opportunity to the players in organised sector to expand their reach into the rural India. Also, with the Government of India looking to improve the physical infrastructure of the Country and planning huge investments, the penetration of organised sector products will increase rapidly over coming years, even in the farthest corners of the Country.

It is interesting to note that a mere one per cent increase in India's rural income translates to a large buying power

of ₹ 10,000 crore (US\$ 1.79 billion). Nearly two-thirds of all middle-income households in the Country are in rural India. According to consulting firm BCG, 50 per cent of the market is made up of bottom of the pyramid consumers while another 24 per cent, at present comes from small towns and rural India.

A report by the National Council of Applied Economic Research (NCAER) shows that rural segment comprises more than 50 per cent of consumers constituting as a prime market for consumer goods.

Considering the penetration potential and the current challenges for distribution of products in rural India, Aadhaar Retailing Limited has set up its first distribution centre at Kalol, Gujarat and is establishing Franchisee model in vicinity areas to expand its retail footprint.

During the year the Company has invested ₹ 21 crore in the business to support the growth and expansion of its operations.

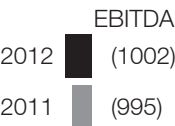
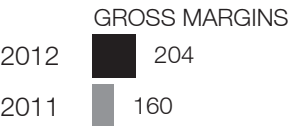
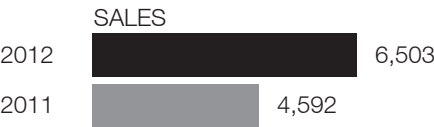
Aadhaar retailing limited (ARL)

Your Company entered the business after acquiring a 70% stake from the existing rural distribution network of Godrej Agrovet, present in over 35 rural locations in the Country. ARL is now further building its spread through wholesale markets and franchise network under Aadhaar brand for rural stores. The first wholesale market has come up at Kalol in Gujarat and is expected to provide a strong distribution platform for ARL as well as other FMCG brands in the rural market. The business is aimed at capturing a large share of the growing consumption demand in rural India. During the year under review ARL got a very encouraging response from the franchisee campaign. ARL has successfully appointed 16 franchisees in the first phase.

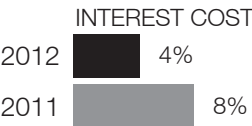


EARNINGS SNAPSHOT (₹ lakhs)

Economic Interest Basis



COSTS% OF SALES





Key highlights of the wholesale business model of ARL:

ARL will establish franchised outlets under a hub-and-spoke model with Aadhaar's wholesale centres serving the franchisees within a 40-50 km radius. The outlets are to be located in villages with a population of 5,000-10,000 and will be about 300-400 square feet in size.

ARL will initially open wholesale outlets in regions where it already has a presence through rural retailing in states such as - Punjab, Haryana, Gujarat and Maharashtra.

To increase vendor base, ARL plans to draw synergies from other group avenues such as the Food Park venture and Future Consumer Enterprises Limited.

ARL has registered a growth in sales by 42% on account of increase in retail and institutional sales.

ARL believes that there is enormous potential in rural distribution and is bullish on the growth of ARL. The initial feedback of the franchisees is very positive and encouraging.



tinkle

amar chitra katha

karadi

400 titles



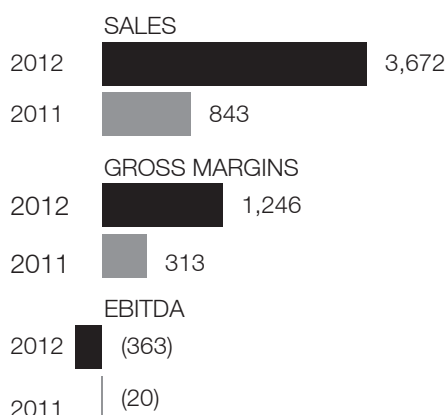


edutainment

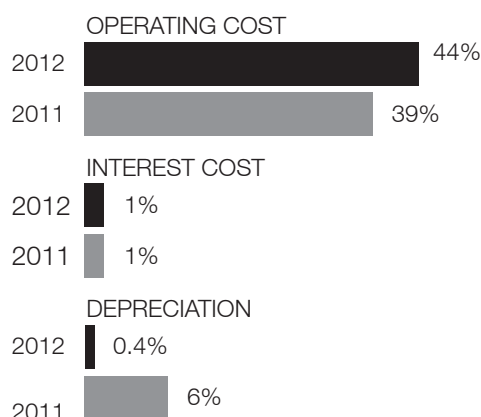
The growth trajectory is backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and fast increasing new media business.

EARNINGS SNAPSHOT (₹ lakhs)

Economic Interest Basis



COSTS% OF SALES



In 2011, the Indian Media & Entertainment (M&E) Industry registered a growth of 12 percent over 2010, to reach INR 728 billion, says the FICCI-KPMG report. The growth trajectory is backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and fast increasing new media business. Overall, the industry is expected to register a CAGR of 15 percent to touch INR 1,457 billion by 2016.

The year 2011-12 has been a challenging year not just for the Indian M&E industry, or even the Indian economy, but for the larger world economy. While India is still expected to grow at a healthy pace, growth is projected to be lower than earlier expectations.

Amar chitra katha private limited (ACK)

Your Company has made a strategic investment to revive and contemporize one of India's oldest iconic brands – Amar Chitra Katha. Your Company has during the year under review, raised its stake from 13.65% to 65.84% in ACK (on fully diluted basis).

ACK owns flagship brands like 'Amar Chitra Katha', 'Tinkle' and 'Brainwave', and also has a strategic investment in a children's audio book brand 'Karadi Tales'. It has basket of 400+ titles and over 100 proprietary characters. It is an established leader in the under- 15 age group with diverse product offerings in various formats that are compatible to new media platforms. ACK also operates India Book House (IBH), the largest distributor of books and magazines in India.

ACK now has right to publish and distribute international magazine 'National Geographic' and 'NG Traveller'. Both the magazine's India avatar is expected to hit the stands in July'12.

ACK is realigning itself with new vision and has appointed a new CEO to build a robust team of experienced and professional people. It is in the process of strengthening its three pillars i.e Content, Publishing and Distribution. ACK intends to transform its IPR and icons to new age, digital platform by building properties in online, gaming, movies and product merchandising space.

Competitive landscape

The market currently is very fragmented with presence of both organised and unorganised players with the latter representing a significant market share. The presence of many Indian and International brands in the market makes it all the more competitive and price sensitive. Your Company has built a diversified portfolio of brands under various categories of menswear, womenwear and kidswear over a period of time, giving ample options to the customers to choose from. Our businesses are well prepared to make further investments in various categories by leveraging the Future Group's knowledge bank and deep understanding with respect to fashion trend and customer insights.

FMCG market is dominated by few large MNCs with vast distribution network and wide array of products and brands. With our consumer insights and understanding of the Indian markets, we have already been able to develop and launch various products which have been well received in the market. Considering the low proportion of unbranded products in India we feel that there is huge scope for new and innovative products.

Packaged Processed Food products are manufactured and marketed by various regional players and some large international players which have recently entered the market. The competition will lead to expansion of the market for packaged and branded food products. The fact that the processed food in India is still at nascent stage with only 2-3% of food being processed; there is a huge scope for increase in consumption in this space. Entry of new brands, products and players will certainly lead to competition, which will actually help in expanding the market for such products.

Risks and threats

Since our activities will be focused on consumption led sectors in India, our results of operations and financial condition will continue to be influenced by the macro-economic, market and other conditions and development in India. These factors include levels of and growth rates in GDP and per capita GDP, which affect the customer's disposable income. Rising inflation, higher interest costs, currency exchange rates pose a threat to input costs and margins. A slow down of the Indian economy may adversely affect our businesses, including its ability to implement its strategy.

These would be mitigated by a thorough continuous monitoring of performance and factors impacting it. Monitoring of costs and working capital management would be the focus to create efficiencies and margin expansion.

For each of the Business Venture, the Company would undertake timely measures to mitigate execution, operational and market risks through active participation and regular monitoring through a dedicated team of Professional Managers. We will ensure that standard operating procedures are defined with each Business Venture and affix responsibilities for execution. These operating processes and plans would be periodically reviewed for compliance checks and initiating timely action for improvisation and revisions that may be considered necessary.

Internal controls and their adequacy

The Audit Committee comprising of independent directors regularly reviews financial and other policies, monitoring procedures in the Business Ventures, key audit findings and recommends measures to improve the risk assurance processes.

The Management Assurance team carries out quarterly reviews to assess the internal control environment of its Business Ventures and their adequacy. We review their internal audit reports and monitor implementation of key recommendations. The broader systems of internal controls and external audits have been defined and deployed in the various businesses to protect our Business Ventures and shareholders from potential risks.

Review of financial performance

The consolidated financial statements have been prepared in accordance with Indian GAAP (Generally Accepted Accounting Principles) and as prescribed for accounting of subsidiaries, Joint Ventures and Associates, as applicable.

Investment in subsidiaries are accounted based on line-by-line consolidation after eliminating inter-company balances and minority interests as per AS-21. "Consolidated Financial Statements" Investment in Joint ventures are accounted based on proportionate consolidation method as per AS - 27. "Financial Reporting of Interest in Joint Ventures" Investments in associates are accounted based on equity method as per AS- 23 "Accounting for Investment in Associates in Consolidated Financial Statements".



Income

The Company has recorded consolidated total income of ₹ 86,041 lakhs in the fiscal 2012 as against ₹ 54,926 lakhs in fiscal 2011. Our total income primarily include revenue from sale of consumer products by our subsidiaries and proportionate share of revenue in our joint ventures, income from investing activities, interest on deposits, other operating income, other income and our proportionate share of income in our joint ventures. Income from investing activity primarily consists of interest income and dividend income.

Expenditure

Our total expenditure include costs of goods sold by our subsidiaries, employee costs, operating and other expenses, interest and financing charges and depreciation and our proportionate share of costs in our joint venture.

Cost of goods sold

Our cost of goods sold primarily include costs in relation to purchases of raw materials by our subsidiaries and other costs which include freight and forwarding charges and labour charges and our proportionate share of costs in our joint venture. Our cost of goods sold accounted for 68% and 65% of our total income for fiscal 2012 and fiscal 2011 respectively.

Employee cost

Our employee cost include salaries and bonus to our employees, contributions to provident fund and other funds as well as staff welfare expenses and also includes our proportionate share of cost in our joint ventures. Our staff costs accounted for 8% of total income for both fiscal 2012 and fiscal 2011.

Administrative and Other expenses

Our administrative and other expenses primarily include expenses towards payment of rent, power, water and fuel, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges and our proportionate share of such costs in our

joint ventures. Our administrative and other expenses accounted for 21% and 24% of our total income for fiscal 2012 and fiscal 2011 respectively.

Interest and financing charges

Our interest and financing primarily consists of interest on working capital loans, fixed loans and term loans and our proportionate share of such expenses in our joint ventures. Our interest and financing charges accounted for 3% and 4% of our total income for fiscal 2012 and fiscal 2011 respectively.

Depreciation & Amortization

Depreciation expenses primarily consists of depreciation on our fixed assets. Depreciation also includes amortization of intangible assets such as trademarks, brands and entry and license fees. Our Depreciation accounted for 3% and 5% of our total income for fiscal 2012 and fiscal 2011 respectively.

Provision for taxation

We provide for current income tax as well as deferred tax. Provision for taxation accounted for 1% and 0.5% of our total income for fiscal 2012 and fiscal 2011 respectively.

Investments

Investments, which are long term in nature are stated at cost and provision for diminution is made, if the decline in value is other than temporary in nature. Net increase in investments during the year under review is ₹ 27,430 lakhs.

Goodwill

The Accounting treatment for the excess of investment value of the Company in its subsidiaries and joint ventures over the Company's portion of the equity share capital in the subsidiaries and joint ventures is treated as Goodwill on consolidation. During fiscal 2012, it is ₹ 39,429 lakhs with an increase of ₹ 7,835 lakhs over fiscal 2011.

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CORPORATE GOVERNANCE REPORT

In terms of Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the report containing details of corporate governance systems and processes at Future Ventures India Limited is as under:

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy on corporate governance is to achieve business excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March, 2012 and their attendance at the meetings during the year are as follows:

BOARD OF DIRECTORS

The Board of Directors of the Company (**Board**) has optimum combination of Non-Executive and Independent Directors comprising of more than fifty percent being Non-Executive Directors and more than one-third being Independent Directors.

Mr. G. N. Bajpai acts as the Non-Executive Chairman of the Board and Mr. Kishore Biyani is the Managing Director.

None of the Directors hold directorship in more than 15 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

During the financial year 2011-12, five meetings of the Board of Directors were held on the following dates:

30th June, 2011, 16th July, 2011, 13th August, 2011, 14th November, 2011 and 14th February, 2012.

Name of the Director	Category	No. of Board Meetings held during the financial year 2011-12	No. of Board Meetings attended by the Director during the financial year 2011-12	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee position held including the Company*	
						Chairman of the Committee	Member
Mr. G. N. Bajpai	Chairman & Independent Director	5	4	Yes	14	5	4
Mr. Kishore Biyani	Promoter and Managing Director	5	5	Yes	10	0	4
Mr. Anil Harish	Independent Director	5	5	Yes	13	4	6
Mr. B. Anand	Non-Executive Director	5	4	Yes	1	2	1
Mr. Jagdish Shenoy	Independent Director	5	5	Yes	2	0	2
Mr. Gaurav Burman@	Non-Executive Director	5	1	No	3	0	0
Ms. Vibha Rishi**	Non-Executive Director	5	0	Not Applicable	0	0	0

excludes directorship in foreign companies and Section 25 companies

* Membership/Chairman of only Audit Committee and Shareholders'/Investors' Grievances Committee in public limited companies have been considered

@Appointed with effect from 16th July, 2011

** Appointed with effect from 14th February, 2012

Two meetings of the Investment Committee constituted by the Board in terms of the scope of reference provided, from time to time were held during the financial year 2011-12.

AUDIT COMMITTEE

Terms of Reference

The terms of reference of Audit Committee *inter alia* includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information;
- Recommending to the Board, the appointment, re-appointment and replacement of the statutory auditor and the fixation of audit fee;
- Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Such other matters as specified under Clause 49 of the Listing Agreement and requirements of Section 292A of the Companies Act, 1956 and the Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

The Audit Committee from time to time invites Statutory Auditors, Internal Auditors and other executives, as it considers appropriate to be present at the meeting.

Composition and Attendance at Meetings:

As on 31st March, 2012, the composition of Audit Committee has been as under:

- Mr. G.N.Bajpai
- Mr. Anil Harish
- Mr. B. Anand
- Mr. Jagdish Shenoy

During the financial year 2011-12, five meetings of Audit Committee were held on the following dates:

30th June, 2011, 16th July, 2011, 13th August, 2011, 14th November, 2011 and 14th February, 2012.

Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	4
Mr. Anil Harish	Member	5
Mr. B. Anand	Member	4
Mr. Jagdish Shenoy	Member	4

Mr. G. N. Bajpai Chairman of the Audit Committee was present at the last Annual General Meeting held on 23rd September, 2011.

NOMINATION AND REMUNERATION/COMPENSATION COMMITTEE

Terms of Reference

The terms of reference of Nomination and Remuneration / Compensation Committee *inter alia* includes the following:

- To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;
- To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;
- To decide on the contents and obtain declarations from the Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time;
- To recommend the suitable change(s), if required to the Board of Directors of the Company;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;
- Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (ESOP Guidelines), in particular, those stated in Clause 5 of the ESOP Guidelines;
- Such other matters as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings:

As on 31st March, 2012, the composition of Nomination and Remuneration /Compensation Committee has been as under:

- Mr. G. N. Bajpai
- Mr. Anil Harish
- Mr. B. Anand
- Mr. Jagdish Shenoy

During the financial year 2011-12, two meetings of Nomination and Remuneration /Compensation Committee were held on the following dates:

14th November, 2011 and 14th February, 2012.



Attendance of the Directors at the Nomination and Remuneration /Compensation Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	1
Mr. Anil Harish	Member	2
Mr. B. Anand	Member	1
Mr. Jagdish Shenoy	Member	2

Remuneration Policy:

Details of remuneration paid to the Directors during the Financial Year 2011-12

Name of Directors	Sitting Fees (₹) **	Gross Remuneration (₹)	Total (₹)	Stock Options Held
Mr. Kishore Biyani	-	1,792,000#	1,792,000	-
Mr. G. N. Bajpai	240,000	-	240,000	250,000
Mr. Anil Harish	240,000	-	240,000	-
Mr. B. Anand	300,000	-	300,000	1,000,000
Mr. Jagdish Shenoy	220,000	-	220,000	-
Mr. Gaurav Burman	20,000	-	20,000	-
Ms. Vibha Rishi*	-	-	-	-

*Appointed with effect from 14th February, 2012

**includes fees paid for board and committee meetings.

Remuneration paid to Mr. Kishore Biyani with effect from 1st December, 2011.

Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2011-12. None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2012.

SHAREHOLDERS'/ INVESTORS' GRIEVANCES AND SHARE TRANSFER COMMITTEE

Terms of Reference

The terms of reference of Shareholders'/ Investors' Grievances and Share Transfer Committee includes the following:

- To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;
- To approve issue of Duplicate/Consolidated/Split Share Certificate(s);
- To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal

of the Company on Share Certificate(s) as per Article of Association of the Company, etc;

- To do all acts, deeds and things as may be required for admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL].

Composition and Attendance at Meeting

As on 31st March, 2012, the composition of Shareholders'/ Investors' Grievance and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. B. Anand

During the financial year 2011-12, three meetings of the Shareholders'/ Investors' Grievance and Share Transfer Committee were held on the following dates:

5th May, 2011, 26th December, 2011 and 27th March, 2012.

Attendance of the Directors at the Shareholders' / Investors' Grievances and Share Transfer Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. B. Anand	Chairman	3
Mr. Kishore Biyani	Member	3

During the year under review, 145 complaints/ correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent. The shareholder's complaints / correspondences were resolved/attended and there were no pending complaints or un-attended correspondences as on 31st March, 2012.

Name, Designation and address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head-Legal
Future Ventures India Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060

GENERAL BODY MEETINGS

The details of Annual General Meetings held during last three years are as follows:

Year	Day, Date and Time	Venue
2008-09	Wednesday, 30 th September, 2009 at 4.00 p.m.	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
2009-10	Tuesday, 10 th August, 2010 at 10.30 a.m.	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
2010-11	Friday, 23 rd September, 2011 at 11.00 a.m.	Rangaswar Hall, 4 th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai - 400 021

Special Resolution(s) passed at the last three Annual General Meetings (“AGM”)

AGM	AGM Date	Special Resolutions passed
13 th	30 th September, 2009	Approval for keeping and inspection of registers and returns at a place other than at the Registered Office of the Company
14 th	10 th August, 2010	a) Approval for Initial Public Offer (“IPO”) of Equity Shares. b) Approval for Employee Stock Option Scheme c) Approval for Employee Stock Option Scheme – Subsidiary Companies
15 th	23 rd September, 2011	None

Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting of the Members of the Company was held.

None of the business proposed to be transacted at the forthcoming Annual General Meeting is required to be approved by postal ballot.

Special Resolution(s) passed during last financial year through Postal Ballot

Date of passing of resolution	Special Resolutions passed
16 th January, 2012	Ratification and Amendment of the Pre-IPO ‘FVIL Employees Stock Option Plan-2011’ of the Company
16 th January, 2012	Employee Stock Option Scheme-Subsidiary Companies
16 th January, 2012	Payment of remuneration to Mr. Kishore Biyani - Managing Director
16 th January, 2012	Increase in limit for investments by Foreign Institutional Investors (“FIIs”) in the Company.

Procedure for Postal Ballot and Voting Pattern:

1. The Board of Directors of the Company had at its meeting held on 14th November, 2011 appointed Mr. Sanjay Dholakia – Practising Company Secretary as the Scrutinizer for conducting postal ballot process.
2. The postal ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under the safe custody in a sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on Friday, 13th January, 2012, the last date and time fixed by the Company for receipt of the forms had been considered.
4. The results of the Postal Ballot were announced on 16th January, 2012 at the Registered Office of the Company as per the Scrutinizer’s Report as under:

Resolution 1:

Special Resolution: Ratification and Amendment of pre-IPO ‘FVIL Employees Stock Option Plan-2011’

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	(3)= [(2)/ (1)]*100	4	5	(6)= [(4) / (2)]* 100	(7)= [(5) / (2)]* 100
Promoter and Promoter Group	52,59,18,138	52,59,18,138	100.00	52,59,18,138	0	100.00	0
Public – Institutional holders	0	0	0	0	0	0	0
Public-Others	55,19,12,526	54,16,55,248	98.14	54,13,39,500	3,15,748	99.94	0.06
Total	1,07,78,30,664	1,06,75,73,386	99.05	1,06,72,57,638	3,15,748	99.97	0.03



Resolution 2:

Special Resolution: Employee Stock Option Scheme-Subsidiary Companies

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	(3)=[(2)/ (1)]*100	4	5	(6)= [(4) / (2)]*100	(7)= [(5) / (2)]*100
Promoter and Promoter Group	52,59,18,138	52,59,18,138	100.00	52,59,18,138	0	100.00	0
Public – Institutional holders	0	0	0	0	0	0	0
Public-Others	55,19,12,526	54,16,54,900	98.14	54,13,26,831	3,28,069	99.94	0.06
Total	1,07,78,30,664	1,06,75,73,038	99.05	1,06,72,44,969	3,28,069	99.97	0.03

Resolution 3:

Special Resolution: Payment of remuneration to Mr. Kishore Biyani- Managing Director

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	(3)=[(2)/ (1)]*100	4	5	(6)= [(4)/ (2)]*100	(7)= [(5) / (2)]*100
Promoter and Promoter Group	52,59,18,138	52,59,18,138	100.00	52,59,18,138	0	100.00	0
Public – Institutional holders	0	0	0	0	0	0	0
Public-Others	55,19,12,526	54,16,62,861	98.14	54,10,45,810	6,17,051	99.89	0.11
Total	1,07,78,30,664	1,06,75,80,999	99.05	1,06,69,63,948	6,17,051	99.94	0.06

Resolution 4:**Special Resolution: Increase in limits for investments by Foreign Institutional Investors ("FIIs") in the Company**

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	(3)=[(2)/ (1)]*100	4	5	(6)= [(4)/ (2)]*100	(7)= [(5)/ (2)]*100
Promoter and Promoter Group	52,59,18,138	52,59,18,138	100.00	52,59,18,138	0	100.00	0
Public – Institutional holders	0	0	0	0	0	0	0
Public-Others	55,19,12,526	54,16,65,763	98.14	54,15,40,620	1,25,143	99.98	0.02
Total	1,07,78,30,664	1,06,75,83,901	99.05	1,06,74,58,758	1,25,143	99.99	0.01

5. The results of the postal ballot was also posted on the Company's website - www.futureventures.in

DISCLOSURES**Related Party Transactions**

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information in Note no. 30 under Notes to Accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with requirements of Stock Exchange/ SEBI and other statutory authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Disclosure of Accounting Treatment

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956, the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, as amended, and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

Proceeds from the Initial Public Offer of the Company.

The details about utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not

utilized these funds for purposes other than those mentioned in the Prospectus of the Company.

CODE OF CONDUCT

The Company has framed and adopted the Code of Conduct for all its Board Members and Senior Management personnel. The Code of Conduct for the employees as well as the Board Members is posted on the Company's website - www.futureventures.in

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2011-12.

A declaration to this effect signed by Managing Director forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of this Annual Report and includes discussion on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

MEANS OF COMMUNICATION AND SHAREHOLDER INFORMATION

The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in one English and one regional language newspaper. The financial results are also uploaded on the Company's website - www.futureventures.in

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website - www.futureventures.in



General Shareholder Information

Annual General Meeting

Date and Time : 5th September, 2012 at 11.00 a.m.
 Venue : Rangaswar Hall, 4th Floor,
 Yashwantrao Chavan Pratishthan,
 Gen. Jagannathrao Bhonsle
 Marg, Opp. Mantralaya,
 Mumbai - 400 021

Financial Year : The financial year of the Company
 is from April 1 to March 31 of the
 following year.

First Quarter Results : By second week of August, 2012

Second Quarter Results : By second week of November, 2012

Third Quarter Results : By second week of February, 2013

Fourth Quarter / Annual : By end of May, 2013
 Results

Date of Book Closure : 3rd September, 2012 to 5th September,
 2012 (both days inclusive)

Dividend Payment Date : Not Applicable

Listing on Stock Exchange : The Company's equity shares
 are listed on the following Stock Exchanges:

1. BSE Limited (BSE)
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2. The National Stock Exchange of India Limited (NSE)
 Exchange Plaza, Bandra – Kurla Complex, Bandra (E),
 Mumbai - 400 051

Stock Code:

BSE Limited : 533400
 The National Stock Exchange of India
 Limited : FUTUREVENT
 International Securities Identification
 Number (ISIN) : INE220J01017

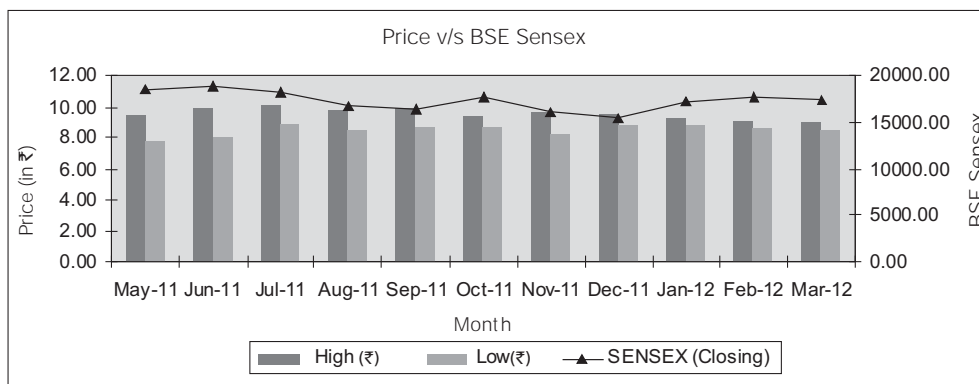
Listing Fees

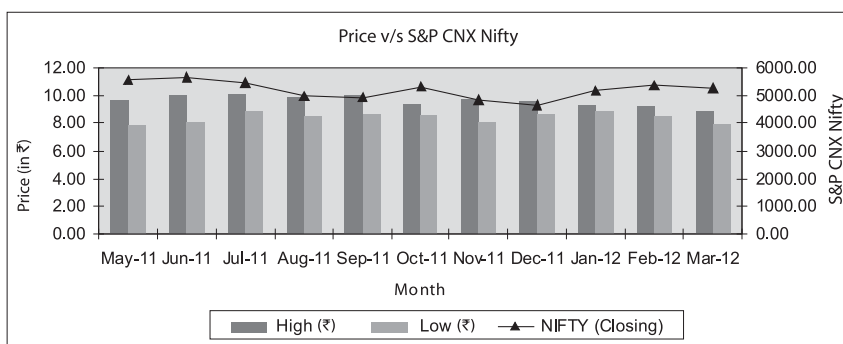
Listing fees for both the Stock Exchanges for the year 2011-12
 has been paid.

Market Price Data during financial year 2011-12 :

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
May, 2011	9.50	7.85	9.65	7.85
June, 2011	10.00	8.01	10.00	8.00
July, 2011	10.05	8.85	10.05	8.80
August, 2011	9.80	8.49	9.90	8.55
September, 2011	9.99	8.71	9.95	8.70
October, 2011	9.39	8.65	9.40	8.60
November, 2011	9.70	8.15	9.75	8.05
December, 2011	9.54	8.75	9.60	8.75
January, 2012	9.30	8.80	9.30	8.80
February, 2012	9.10	8.60	9.15	8.55
March, 2012	9.00	8.45	8.85	7.95

Performance of share price in comparison with the broad-based indices viz. BSE Sensex and NSE Nifty:





Registrar and Share Transfer Agents

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai – 400 078.

Tel: + 91 22 2594 6970

Fax: +91 22 2594 6969

E mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

Shares held in physical form are processed by the Registrar and Share Transfer Agent in the prescribed manner and if the documents are complete in all respects, are transferred within the timeframe under the applicable provisions of law.

Distribution of Shareholdings as on 31st March, 2012

Shareholding of Nominal Value of			Shareholders		Amount	
₹		₹	Number	% to total	In ₹	% to total
1	-	5000	6,631	21.32	14,977,160	0.09
5001	-	10000	9,393	30.21	64,723,660	0.41
10001	-	20000	6,902	22.19	98,939,200	0.63
20001	-	30000	2,357	7.58	62,835,070	0.40
30001	-	40000	546	1.76	19,951,570	0.13
40001	-	50000	1,081	3.48	50,213,710	0.32
50001	-	100000	2,146	6.90	170,742,380	1.08
100001 and above			2,040	6.56	15,280,054,250	96.94
Total			31,096	100.00	15,762,437,000	100.00

Category of Shareholders as on 31st March, 2012

Category	No. of Shares	Shareholding %
Promoters and their relatives/ associates	545,252,817	34.59
Banks	23,274,171	1.48
Foreign Institutional Investors	17,009,181	1.08
Non Residents Indians	1,924,426	0.12
Non Residents Indians (Non Repatriable)	342,963	0.02
Indian Companies	642,687,744	40.77
Indian Public	343,506,524	21.80
Clearing Members	2,245,874	0.14
Total	1,576,243,700	100.00



Dematerialisation of Shares and Liquidity

As on 31st March, 2012, a total of 1,55,35,42,950 equity shares aggregating to 98.56 % of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialised form.

The equity shares of the Company are regularly traded on the BSE Limited and on the National Stock Exchange of India Limited.

Outstanding GDRs/ : NIL

**ADRs/ Warrants or
any Convertible
Instruments**

Plant Location : Not Applicable

**Address for
Correspondence :** Registrar and Share Transfer
Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.
Tel: + 91 22 2594 6970
Fax: +91 22 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in

Company

Future Ventures India Limited

Registered Office:

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai- 400 060
Tel: +91 22 3084 1300
Fax: + 91 22 6644 2201

Corporate Office:

247 Park, Tower C,
L.B.S. Marg, Vikhroli – (West),
Mumbai – 400 083
Tel.: +91 22 6199 4111
Fax: +91 22 6199 5391
Website: www.futureventures.in

Designated E-mail ID : investor.care@futureventures.in

NON MANDATORY REQUIREMENTS

The status of compliance with the non-mandatory requirements is as under:

1. Chairman of the Board

No separate office for the Chairman is maintained, and hence no reimbursement of expenses is made towards the same.

No Specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment by the Members.

2. Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

3. Shareholders' Rights

The Company has not sent half yearly financial performance to each household of the Shareholders.

4. Audit Qualification

There are no audit qualifications in the financial statements for the financial year 2011-12. Standard practices and procedures are followed to ensure unqualified financial statements.

5. Training of Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

6. Mechanism for evaluating Non-Executive Board Members

The Company, presently does not have any formal mechanism for evaluating Non-Executive Board members.

7. Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy.

DECLARATION

I, Mr. Kishore Biyani – Managing Director of Future Ventures India Limited hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 49(1)(D) (ii) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2012.

For Future Ventures India Limited

Date: 24th May, 2012
Place: Mumbai

Kishore Biyani
Managing Director

Auditor's Certificate as per Clause 49 of the Listing Agreement

To,
The Members of
Future Ventures India Limited

We have examined the compliance of conditions of Corporate Governance by Future Ventures India Limited ("the Company") for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The Company is in the process of formalizing its Risk Management Policy.

In our opinion and to the best of our information and according to the explanations given to us and read with the paragraph above, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 008072S)

M.K. Ananthanarayanan

Partner
(Membership No. 19521)

MUMBAI, 24th May 2012



AUDITORS' REPORT

TO THE MEMBERS OF FUTURE VENTURES INDIA LIMITED

1. We have audited the attached Balance Sheet of FUTURE VENTURES INDIA LIMITED ("the Company") as at March 31, 2012, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both 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 the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government in terms of Section 227(4A) 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 in paragraph 3 above, we report as follows:
 - (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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No.008072S)

M.K. ANANTHANARAYANAN
Partner
(Membership No. 19521)

Mumbai, 24th May 2012

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses 4(ii), 4(vi), 4(vii), 4(xi), 4(xiii), 4(xvi) and 4(xix) of CARO are not applicable.
- (ii) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has granted loans aggregating ₹ 47,425 Lakhs to 4 parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 6,510 Lakhs (number of parties is 4) and the maximum amount involved during the year was ₹ 47,425 Lakhs (number of parties is 4)
 - The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - The receipts of principal amounts and interest have been generally regular.
 - There are no overdue amounts remaining outstanding as at the year-end.
- The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain expenditure which are proprietary in nature.
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Service Tax and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Taxes	11,320,650	2008 – 09	Commission of Income Tax (Appeals)



- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (x) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xiii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xiv) The Management has disclosed the end use of money raised by public issue and we have verified the same.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No.008072S)

M.K. ANANTHANARAYANAN
Partner
(Membership No. 19521)

Mumbai, 24th May 2012

BALANCE SHEET AS AT MARCH 31, 2012.

Particulars	Note	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	157,624.37	82,624.37
b) Reserves & Surplus	3	(1,187.95)	179.04
		156,436.42	82,803.41
Non Current Liabilities			
a) Long Term Provisions	4	12.06	6.15
		12.06	6.15
Current Liabilities			
a) Trade Payables	5	53.49	114.79
b) Other Current Liabilities	6	56.12	440.48
c) Short Term Provisions	7	142.18	86.73
		251.79	642.00
TOTAL		156,700.27	83,451.56
ASSETS			
Non- Current Assets			
a) Fixed Assets (Net Block)	8		
(i) Tangible Assets		12.99	16.13
b) Non-Current Investments	9	102,100.82	74,670.76
c) Deferred Tax Assets	10	39.82	10.76
d) Long Term Loans and Advances	11	404.98	1,532.99
		102,558.61	76,230.64
Current Assets			
a) Current Investments	12	26,855.31	384.96
b) Cash and Cash Equivalents	13	106.56	31.37
c) Short Term Loans and Advances	14	26,722.06	6,745.79
d) Other Current Assets	15	457.73	58.80
		54,141.66	7,220.92
TOTAL		156,700.27	83,451.56

See accompanying Notes to Accounts forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K.Ananthanarayanan
Partner

Place : Mumbai
Date : 24th May, 2012

For and on behalf of the Board

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
REVENUE			
Revenue from Operations	16	5,525.78	1,311.64
Other Income	17	5.94	-
TOTAL		5,531.72	1,311.64
EXPENSES			
Employee Benefits Expense	18	718.47	497.79
Depreciation	8	3.96	5.90
Other expenses	19	2,554.04	455.17
TOTAL		3,276.47	958.86
Profit Before Exceptional Items and Tax		2,255.25	352.78
Less : Exceptional Items			
IPO Expenses	20	3,100.30	448.03
Loss Before Tax		(845.05)	(95.25)
Less : Tax Expense			
Current Tax		502.45	42.00
Provision for tax relating to earlier years		48.55	(60.45)
Net Current Tax		551.00	(18.45)
Deferred Tax		(29.06)	(9.55)
		521.94	(28.00)
Loss After Tax		(1,366.99)	(67.25)
Basic & Diluted Earnings per Share (Face Value ₹ 10)	27	(0.09)	(0.01)

See accompanying Notes to Accounts forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 24th May, 2012

For and on behalf of the Board

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N. Bajpai
Chairman

Gopal Bihani
Vice President - Finance

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(845.05)	(95.25)
Adjustments for :		
Depreciation	3.96	5.90
Exchange Rate Fluctuation	0.04	0.01
Interest Income	(4,827.74)	(1,015.52)
Interest on Income Tax Refund	(5.94)	-
Dividend Income	(676.07)	(46.15)
Loss on Sale of Fixed Assets	0.05	1.76
(Profit) on Sale of Investments	(21.97)	(249.97)
Provision for Standard assets	49.96	16.74
Provision for Compensated absences	4.83	5.90
Provision for Gratuity	6.57	4.10
Operating Profit before Working Capital changes	(6,311.36)	(1,372.48)
(Increase) / Decrease in Loans & Advances	(20,183.42)	4,347.25
Increase / (Decrease) in Liabilities and Provisions	(445.07)	570.22
	(26,939.85)	3,544.99
Income Tax Refund / (Paid)	87.87	(83.68)
Dividend Income	676.07	46.15
Interest Received	3,946.03	974.44
Net Cash from /(used in) operating activities (A)	(22,229.88)	4,481.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed assets	0.21	9.31
Purchase of Fixed Assets	(1.08)	(2.36)
Advance towards Share Application Money paid	-	(1,185.00)
Purchase of Investments (Includes dividend reinvested - ₹ 652.34 lakhs), (Previous Year - ₹ 46.15 lakhs)	(197,534.59)	(34,421.67)
Redemption of Investments	144,840.53	5,014.23
Net Cash used in Investing Activities (B)	(52,694.93)	(30,585.49)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares (include share application money)	75,000.00	25,000.00
Net Cash from Financing Activities (C)	75,000.00	25,000.00
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	75.19	(1,103.59)
Cash and Cash Equivalents as at the beginning of the year	31.37	1,134.96
Cash and Cash Equivalents as at the end of the year	106.56	31.37
Net Increase / (Decrease) in Cash and Cash Equivalents	75.19	(1,103.59)

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K.Ananthanarayanan
Partner

Place : Mumbai
Date : 24th May, 2012

For and on behalf of the Board

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance



NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, as amended from time to time and guidelines issued by the Reserve Bank of India for Non-Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

c) Revenue Recognition.

Profit / Loss on sale of investments - Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the Statement of Profit and Loss on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

The cost of investments acquired or purchased would include brokerage, stamp charges and any duties directly related to the acquisition of investment.

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements, for the year.

Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Company obtains an enforceable obligation to pay the price or, in the event of sale, when the Company obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized. Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the same is established.

Fee for services rendered is recognized at the specific rates as per the terms of contract. Advisory fee payable for advisory services is recognized at the specific rates and as per terms agreed.

d) Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes all direct expenses relating to the acquisition and installation of fixed assets.

e) Depreciation

Depreciation is provided on Written Down Value Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Assets individually costing ₹ 5,000/- or less are depreciated fully in the year of purchase.

f) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates. Exchange differences arising on actual payment / realisation and year end re-instatement referred to above are recognized in the Statement of Profit and Loss.

g) Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Other investments are classified as long-term investments.

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the Balance Sheet of the unlisted investee company is not available for two years, shares in such companies shall be valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting or Holding) Companies.

Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as Equity, Preference, Debentures, etc. and considered scrip-wise and the cost and market value aggregated for all investments in each category. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

The reclassification of Investments from long term to Current investments would be effected with the approval of the Board of Directors.

h) Retirement Benefits

Defined Benefit Plan

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the Balance Sheet date is provided for.

Actuarial gains and losses arising from effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

Defined Contribution Plan

Fixed contributions to Provident Fund are recognized in the accounts on actual cost to the Company.

Compensated Absences

Liability for short term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the Balance Sheet date on undiscounted basis. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the Balance Sheet date.

i) Deferred Compensation Cost

In respect of stock options, granted pursuant to the Company's Employee Stock Option Scheme 2011, the Company determines the compensated cost based on the intrinsic value method and the compensation cost is amortised on a straight line basis over the vesting period.

j) Taxation

Current tax is determined on the income for the year chargeable to tax 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 tax laws that are enacted or substantially enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

k) Impairment of assets

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 greater of the assets net selling price and value in use. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

l) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



2. SHARE CAPITAL

a) The authorized, issued, subscribed and fully paid-up share capital comprises of equity shares.

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Authorised		
5,000,000,000 (Previous year - 5,000,000,000) Equity Shares of ₹10/- each	500,000.00	500,000.00
	500,000.00	500,000.00
Issued, Subscribed and Fully Paid-up Capital		
1,576,243,700 (Previous year - 826,243,700) Equity Shares of ₹10/- each	157,624.37	82,624.37
TOTAL	157,624.37	82,624.37

b) The authorized, issued, subscribed and fully paid up capital comprises of equity shares of ₹ 10/- each as under :-

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
No. of equity shares at the beginning of the year	826,243,700	82,624.37	576,243,700	57,624.37
No. of equity shares issued during the year (Refer Note (i) and (ii))	750,000,000	75,000.00	250,000,000	25,000.00
No. of equity shares at the end of the year	1,576,243,700	157,624.37	826,243,700	82,624.37

Notes:

- Pursuant to the Initial Public Offer made during the month of April 2011, the Company issued 750,000,000 Shares of ₹ 10 each at a price of ₹ 10 each raising ₹ 75,000 Lakhs. The shares of the Company were listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited on May 10, 2011.
- During the previous year, the Company had issued 250,000,000 Equity shares at par value of ₹ 10/- each to promoter companies on preferential basis.

c) Details of Shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% of Holding	No. of shares	% of Holding
Pantaloon Retail India Limited	150,000,000	9.52	150,000,000	18.15
Gargi Developers Pvt. Ltd.	126,251,081	8.01	-	-
PIL Industries Limited	122,000,000	7.74	122,000,000	14.77
Bennett, Coleman and Company Limited	100,000,000	6.34	100,000,000	12.10
Central Departmental Stores Pvt. Ltd.	95,838,700	6.08	-	-
Future Capital Investment Pvt. Ltd.	-	-	101,800,000	12.32
Future Corporate Resource Limited	-	-	68,045,000	8.24

d) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended March 31, 2012 and March 31, 2011, the Company has not declared any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

3. RESERVES AND SURPLUS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Capital Redemption Reserve	5.20	5.20
Statutory Reserve*	338.58	338.58
General Reserve	0.59	0.59
Surplus/(Deficit)		
Opening Balance	(165.33)	(98.08)
Add: (Loss) for the year	(1,366.99)	(67.25)
	(1,532.32)	(165.33)
TOTAL	(1,187.95)	179.04

*Represents the reserve created in accordance with the provisions of Section 451C of the Reserve Bank of India Act, 1934.

4. LONG TERM PROVISIONS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Provision for Gratuity	12.06	6.15
TOTAL	12.06	6.15

5. TRADE PAYABLES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Dues to Micro enterprises and small enterprises *	-	-
Dues – Others	53.49	114.79
TOTAL	53.49	114.79

* As identified by the management and relied upon by the auditors

6. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Statutory Dues	9.75	0.15
Others *	46.37	440.33
TOTAL	56.12	440.48

*Includes provision for IPO expenses of ₹ Nil (Previous year ₹ 287.81 Lakhs)

7. SHORT TERM PROVISIONS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Provision for Standard Assets	66.70	16.74
Provision for Employee Benefits		
Compensated absences	14.14	9.31
Gratuity	1.34	0.68
Bonus and Incentives	60.00	60.00
TOTAL	142.18	86.73

8. **FIXED ASSETS** (₹ In Lakhs)

Description of Assets	Gross Block			Depreciation			Net Block	
	April 1, 2011	Additions	Deletions	March 31, 2012	April 1, 2011	For the year	March 31, 2012	March 31, 2011
TANGIBLE ASSETS								
Office Equipments	15.02	0.86	0.34	15.54	5.48	1.36	6.76	9.54
Computers	24.88	0.15	-	25.03	18.73	2.52	21.25	6.15
Furniture and Fixtures	0.65	0.07	-	0.72	0.21	0.08	0.29	0.44
Total	40.55	1.08	0.34	41.29	24.42	3.96	28.30	16.13
Previous Year	56.13	2.36	17.94	40.55	25.39	5.90	24.42	30.74
INTANGIBLE ASSETS								
Software	0.38	-	-	0.38	0.38	-	0.38	-
Total	0.38	-	-	0.38	0.38	-	0.38	-
Previous Year	0.38	-	-	0.38	0.38	-	0.38	-
GRAND TOTAL	40.93	1.08	0.34	41.67	24.80	3.96	28.68	16.13
Previous Year	56.51	2.36	17.94	40.93	25.77	5.90	24.80	30.74



9. NON-CURRENT INVESTMENTS

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unquoted					
i) Subsidiaries – Trade					
- In Fully paid up Equity Shares					
Aadhaar Retailing Limited (Refer Note(ii))	10	22,400,000	18,200,000	10,717.53	8,617.53
Indus League Clothing Limited	10	28,900,863	25,187,383	43,013.37	38,283.52
Indus Tree Crafts Pvt. Ltd.	100	86,385	55,336	1,494.89	957.59
Future Consumer Products Limited	10	900,000	900,000	2,000.00	2,000.00
Future Consumer Enterprises Limited	10	10,050,000	10,050,000	16,005.00	16,005.00
Amar Chitra Katha Pvt. Ltd.	1	264,057	49,039	8,198.02	1,502.06
- In Fully paid up Preference Shares					
Future Consumer Products Limited	100	145,000	-	145.00	-
- In 0% Optionally Convertible Debentures					
Future Consumer Enterprises Limited	100	2,500,000	-	2,500.00	-
ii) Associates – Trade					
- In Fully paid up Equity Shares					
AND Designs India limited (Refer Note (iii))	10	882,380	441,190	573.15	573.15
Capital Foods Exportts Pvt. Ltd.	10	1,420,892	1,054,269	8,100.07	4,511.25
BIBA Apparels Private Limited	100	132,850	81,250	4,249.24	2,045.66
- In 0% Optional Convertible Debentures					
Capital Foods Exportts Pvt. Ltd.	100	2,500,000	-	2,500.00	-
iii) Joint Venture – Trade					
- In Fully paid up Equity Shares					
Clarks Future Footwear Limited	10	15,750,000	-	2,329.55	-
Holii Accessories Pvt. Ltd.	10	1,850,000	1,750,000	275.00	175.00
Total of Non-Current Investment		87,782,427	57,768,467	102,100.82	74,670.76

Notes: i) During the year, the Company has converted 2,000,000 Debentures of ₹ 100 each into 4,000,000 Equity Shares of ₹ 10 each.

ii) During the year And Designs India Ltd. issued 1 : 1 bonus shares and the face value of share has been split from ₹ 100 to ₹10 each.

10. DEFERRED TAX ASSETS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Depreciation	0.26	0.09
Provision for Compensated Absences	4.59	3.02
Provision for Gratuity	4.35	2.22
Provision for Standard Assets	21.64	5.43
Disallowable expenditure U/s 40(ia) ie. Non deduction of TDS on Provisions	8.98	-
Net Deferred Tax Asset / (Liability)	39.82	10.76

Deferred Tax Asset arising on long term capital loss of ₹ 1,397.79 Lakhs carried forward from earlier years has not been recognised in the absence of virtual certainty on their realization.



11. LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Unsecured - Considered Good		
(i) Advance towards Purchase of Shares	-	1,185.00
(ii) Prepaid Taxes (Net of provision ₹ 735.21 Lakhs (previous year ₹ 525.77 Lakhs))	204.83	347.84
(iii) Loans and Advances to Related Party	200.00	-
(iv) Other Deposits	0.15	0.15
TOTAL	404.98	1,532.99

12. CURRENT INVESTMENTS

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unquoted - Non Trade					
i) Mutual Funds					
Axis Liquid Fund - Inst. DDR	1000	30,018	-	300.21	-
Birla Sun life Floating Rate Fund-STP-IP- DDR	100	600,208	-	600.33	-
Daiwa Liquid Fund - Inst. Plan – DDR	1000	52,368	-	523.95	-
Edelweiss Liquid Fund - Inst. Weekly dividend	10	158,671	-	15.88	-
Edelweiss Liquid Fund - Super Inst. DDR	10	10,008,713	-	1,000.87	-
HDFC Liquid Fund - Prem. Plan – DDR	10	222,953	-	27.33	-
ICICI Prudential Flexible Income Plan – DDR	100	-	128,234	-	135.59
ICICI Prudential Floating Rate Fund Plan DDR	100	21,600	-	21.61	-
ICICI Prudential Money Market Fund cash option – DDR	100	300,159	-	300.19	-
IDFC Cash Fund - super Inst. Plan C – DDR	1000	58,799	-	588.13	-
Kotak Floater Short Term – DDR	10	3,242,975	-	328.07	-
Peerless Liquid Fund - super Inst. DDR	10	3,697,929	-	369.85	-
Peerless Ultra Short Super Inst. DDR	10	6,243,894	-	625.31	-
Pramerica Liquid Fund – DDR	1000	38,371	5,164	383.74	51.64
Reliance Liquidity Fund – DDR	10	1,000,358	1,976,358	100.09	197.73
Reliance Money Manager Fund - Inst. Option Daily Dividend	1000	322	-	3.22	-
Religare Liquid Fund - Super Inst. DDR	1000	42,849	-	428.83	-
Religare Ultra Short Term Fund - Inst. Daily Dividend	1000	29,433	-	294.83	-
SBI Premier Liquid Fund - Inst. DDR	1000	56,867	-	570.52	-
SBI SHF Ultra Short term fund - inst. Plan DDR	1000	2,042	-	20.43	-
Taurus Liquid Fund - Inst. DDR	1000	13,008	-	130.09	-
Taurus Liquid Fund - Super Inst. DDR	1000	22,180	-	221.83	-
Sub – Total		25,843,717	2,109,756	6,855.31	384.96
ii) Certificate of Deposits					
Sicom Ltd.		-	-	20,000.00	-
TOTAL		25,843,717	2,109,756	26,855.31	384.96

13. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Cash	0.03	0.01
Cheques on Hand	0.90	-
Balance with Scheduled Bank		
- In Current Account	105.63	31.36
TOTAL	106.56	31.37

14. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
a) Secured - Considered Good		
(i) Loans and advances to Related Parties	-	1,925.00
b) Unsecured - Considered Good		
(i) Loans and advances to employee	0.07	3.03
(ii) Loans and advances to Related Parties	26,419.00	4,771.60
(iii) Security Deposits	300.00	-
(iv) MAT Credit entitlement	-	7.12
(v) Other loans and advances	2.99	39.04
TOTAL	26,722.06	6,745.79

15. OTHER CURRENT ASSETS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Interest Accrued on Deposits and Inter Corporate Deposits	457.73	58.80
TOTAL	457.73	58.80

16. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Gain on Sale of Investments *	21.97	0.03
Interest Income:		
- On Bank Deposits/Other Deposit	1,949.80	0.22
- On Inter Corporate Deposits	2,877.94	1,015.30
Dividend Income:		
Dividend on Mutual Fund	652.34	46.15
Dividend From Long Term Investment : Associates	23.73	-
	676.07	46.15
Profit on Sale of Long Term Securities	-	249.94
TOTAL	5,525.78	1,311.64

* Includes ₹ 2.10 Lakhs (Previous Year ₹ 0.03 Lakhs) being increase in carrying value based on the net asset value declared by mutual funds.



17. OTHER INCOME

Particulars	For the year ended March 31,2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Interest on Income tax Refund	5.94	-
TOTAL	5.94	-

18. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31,2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Salaries and Wages	663.81	455.09
Contribution to Provident Fund	18.74	15.00
Staff Welfare Expenses	35.92	27.70
TOTAL	718.47	497.79

19. OTHER EXPENSES

Particulars	For the year ended March 31,2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Rent	82.43	42.54
Legal and Professional Charges	266.99	35.42
Advisory and Mentoring Fees	1,500.00	132.36
Brand Royalty	145.30	110.30
Audit Fees (Refer Note 21)	43.29	21.33
Rates and taxes	0.22	25.15
Directors sitting fees	10.20	7.80
Loss on Sale of Asset	0.05	1.76
Provision for Standard Assets	49.96	16.74
Advertisement and Publicity	367.67	0.51
Exchange Rate Fluctuation	0.04	0.01
Insurance Premium	0.36	0.16
Repairs and Maintenance	0.56	0.59
Miscellaneous expenses	86.97	60.50
TOTAL	2,554.04	455.17

20. EXCEPTIONAL ITEMS - IPO EXPENSES

During the year, the Company has allotted 750,000,000 Shares at par value of ₹ 10 per equity share. The IPO expenses incurred during the year aggregating to ₹ 3,100.30 Lakhs (Previous Year ₹ 448.03 Lakhs) have been absorbed in the Statement of Profit and Loss.

21. DETAILS OF AUDIT FEES

Particulars	For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
Audit Fees	14.00	12.00
Taxation Matters	1.00	1.00
Other Services *	19.90	4.64
Out of Pocket Expense (Including Taxes and Levies)	8.39	3.69
TOTAL	43.29	21.33

* Excludes ₹ Nil (Previous Year ₹ 60.44 Lakhs) towards IPO Fees which is included under IPO Expenses.

22. The Company's obligation towards Gratuity is a Defined Benefit plan and the details of actuarial valuation as on March 31, 2012 is given below:

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Expenses recognized in the Statement of Profit and Loss		
Current Service cost	6.63	5.30
Interest cost on benefit obligations	0.55	0.22
Expected return on plan assets	0.00	0.00
Actuarial (gain)/loss	(0.61)	(1.42)
Net benefit expense	6.57	4.10
Amount recognized in the Balance Sheet		
Closing Projected Benefit Obligation	(13.40)	(6.83)
Closing Fair value of plan assets	0.00	0.00
Unfunded Net Asset/ (Liability) recognized in the Balance Sheet	(13.40)	(6.83)
Changes in the present value of defined benefit obligations are as follows:		
Obligations at period beginning	6.83	2.73
Service Cost	6.63	5.30
Interest on Defined benefit obligation	0.55	0.22
Benefits settled	0.00	0.00
Actuarial (gain)/loss	(0.61)	(1.42)
Obligations at period end	13.40	6.83
Assumptions		
Interest rate	8.00%	8.00%
Salary increase	6.00%	6.00%
Attrition rate	1.00%	1.00%
Retirement age	58 years	58 years

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors. The disclosure requirement with regard to composition of Investments in the Fair Value of Plan assets has not been furnished, since the liability is not funded. Disclosure relating to experience adjustments has not been provided in the absence of relevant information.



23. The Company's obligation towards Compensated Absences is a Defined Benefit plan and the details of assumptions made in actuarial valuation as on March 31, 2012 is given below:

Particulars	As at March 31, 2012	As at March 31, 2011
Interest rate	8.00%	8.00%
Salary increase	6.00%	6.00%
Attrition rate	1.00%	1.00%
Retirement age	58 years	58 years

24. EMPLOYEE STOCK OPTION PLAN

The Board at its meeting held on July 12, 2010, approved issue of Stock Options up to a maximum of 1 % of the paid up Equity Share Capital of the Company (before Rights Issue) aggregating to 50,000,000 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 subject to the approval of the shareholders under Section 81 (1A) of the Companies Act, 1956. The Shareholders of the Company at the Annual General Meeting held on August 10, 2010 approved the aforesaid issue of 50,000,000 Equity Shares of the Company under one or more Employee Stock Option Scheme(s). Post listing of the company, the shareholders have ratified the pre-IPO scheme. The Compensation and Nomination Committee has approved the following grants to certain directors and employees of the Company and some of its Subsidiaries in accordance with the FVIL Employees Stock Option Plan 2011 (ESOP Scheme):

Particulars	Grant I	Grant II
Date of Grant	27 th March 2011	14 th Feb 2012
Exercise Price	₹ 10 per option	The Exercise Price in respect of Options granted shall be determined by the committee and shall not be less than the face value of one equity share of the Company (₹ 10 per Share)
Vesting Commences on	27 th March 2012	14 th Feb 2013
Options outstanding at the beginning of the year		
- Vested	Nil	Nil
- Yet to Vest	13,280,000	Nil
Options Vested	3,909,000	Nil
Options Granted	Nil	2,055,000
Options Exercised	Nil	Nil
Options Forfeited/Lapsed	250,000	Nil
Options outstanding at the end of the year		
- Vested	3,909,000	Nil
- Yet to Vest	9,121,000	2,055,000

Deferred Stock Compensation Expense:

As the exercise price has been fixed at fair value as on date of grant, there is no compensation cost which needs to be amortized over the vesting period of the stock option.

Fair Value Methodology

The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.

The key assumptions used in the Black-Scholes model for calculating the fair value as on the date of the grants are:

Particulars	Grant I	Grant II
Vesting Date	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%
Risk-Free Interest Rate (Average)	7.79%	8.27%
Expected Life (Years)	2.50 years	2.50 years
Expected volatility of Share Price (%)	Since the company is unlisted, zero volatility has been considered	29.07%
Dividend Yield (%)	The company has not declared dividend, hence dividend has not been considered	The company has not declared dividend, hence dividend has not been considered
Price of the underlying share at the time of option	₹ 10 each	₹ 8.75 each
Fair Value of the Option	₹ 2.36 each	₹ 3.22 each

Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value approach, the company's net profit and earnings per share would have been as per the pro forma amounts indicated below:

Impact on Net Profit

Particulars	₹ In Lakhs
Net Loss (As reported)	(1,366.99)
Add: Stock based employee compensation expense included in net profit	Nil
Less: Stock based compensation expense determined under fair value based method (Proforma)	(186.04)
Net Loss (Proforma)	(1,553.03)

Impact on Earnings Per Share

Particulars	₹ per share
Basic Earnings per Share of ₹ 10 each (As reported)	(0.09)
Basic Earnings per Share of ₹ 10 each (Proforma)	(0.10)
Diluted Earnings per Share of ₹ 10 each (As reported)	(0.09)
Diluted Earnings per Share of ₹ 10 each (Proforma)	(0.10)

25. During the year ended March 31, 2012, the Company has formulated a scheme (Future Ventures Employee Welfare Trust Plan (FVEWTP)) which shall be administered by the IL&FS Trust Company Limited. The objective of the FVEWTP is to subscribe to the equity shares of the Company, to hold and dispose them from time to time and to distribute any surpluses arising there from to the beneficiaries of FVEWTP. Certain eligible employees of the Company and its Business Ventures as recommended by the Executive Committee are the beneficiaries under FVEWTP.

26. SEGMENTAL REPORTING

The Company is primarily engaged in the business of investing/financing in consumer product Businesses/Brands. Further, the Company does not have any operations outside India. As such, there are no separate reportable segments as per AS 17 "Segmental Reporting".

27. EARNINGS PER SHARE

Numerator

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Denominator

Particulars	March 31, 2012	March 31, 2011
No. of equity shares at the beginning of the year	826,243,700	576,243,700
No. of equity shares at the end of the year	1,576,243,700	826,243,700
Weighted average number of shares outstanding during the year	1,506,571,569	758,161,508



The Company has issued employee stock options during the year which gives rise to potential equity shares. However, as per the terms of the stock option scheme, the exercise price is greater than the average fair value of the shares during the year. Therefore, these potential shares are considered to be anti-dilutive and accordingly, they are not considered in the computation of diluted earnings per share. Hence the basic and diluted earnings per share are the same.

28. UTILISATION OF IPO FUNDS

Particulars	Amount as per Prospectus	(₹ In Lakhs)
		Amount Utilized As at March 31, 2012
(a) To create, build, invest in or acquire, and operate Business Ventures	53,135.56	24,060.43
(b) For General corporate purpose	17,711.85	14,597.96
(c) Issue Related Expenses	4,152.59	3,548.33
TOTAL	75,000.00	42,206.72

Pending utilization of the full proceeds of the issue, the funds are temporarily invested/held in various Mutual Funds, Certificate of Deposits, Inter Corporate Deposits and Company's Bank Accounts.

29. Certain subsidiaries of the company have incurred losses resulting in erosion of their net worth. These companies are in the process of building respective businesses/brands and creating substantial value. The management is fully committed to lead them to profitability by providing the necessary financial support and mentoring. Therefore, in the opinion of the management, the diminutions in the value of the said investment are not other than temporary in the nature and consequently, no adjustment is considered necessary to their carrying values.

30. RELATED PARTY DISCLOSURES

A. Names of Related Parties and Nature of Related Parties Relationship

(as identified by the management and relied upon by the auditors)

Particulars	March 31,2012	March 31,2011
i) Subsidiaries	Aadhaar Retailing Limited Indus League Clothing Limited Lee Cooper (India) Limited (Subsidiary of Indus League Clothing Limited) Indus Tree Crafts Pvt. Ltd. Indus Tree Producer Transform Pvt. Ltd. (Subsidiary of Industree Craft Pvt. Ltd.) Future Consumer Enterprise Limited Future Consumer Products Limited Amar Chitra Katha Pvt. Ltd. (With effect from June 30,2011) IBH Books & Magazines Distributors Pvt. Ltd. (Subsidiary of Amar Chitra Katha Pvt. Ltd.) ACK Edutainment Pvt. Ltd. (Subsidiary of Amar Chitra Katha Pvt. Ltd.) ACK Eaglemoss Collectibles Publishing Private Limited (Subsidiary of Amar Chitra Katha Pvt. Ltd.) ACK Media Direct Pvt. Ltd. (Subsidiary of Amar Chitra Katha Pvt. Ltd.) Karadi Tales Company Pvt. Ltd. (Subsidiary of Amar Chitra Katha Pvt. Ltd.)	Aadhaar Retailing Limited Indus League Clothing Limited Lee Cooper (India) Limited (Subsidiary of Indus League Clothing Limited) Indus Tree Crafts Pvt. Ltd. Future Consumer Enterprise Limited (With effect from August 2, 2010) Future Consumer Products Limited (With effect from June 29, 2010) Star Shopping Centres Pvt. Ltd. (Upto July 26, 2010)

Particulars	March 31,2012	March 31,2011
	Karadi Path Education Company Pvt. Ltd. (Subsidiary of Amar Chitra Katha Pvt. Ltd. till February 13, 2012) Ideas Box Entertainment Pvt. Ltd. (Subsidiary of Amar Chitra Katha Pvt. Ltd.)	
ii) Associates	And Designs India Limited Capital Foods Exportts Pvt. Ltd. Capital Foods Limited (Subsidiary of Capital Foods Exportts Pvt. Ltd.) Integrated Food Park Pvt. Ltd. (Subsidiary of Capital Foods Limited) Turtle Limited (Associate of Indus League Clothing Limited) Biba Apparels Pvt. Ltd. Amar Chitra Katha Pvt. Ltd. (Upto June 30,2011) Karadi Path Education Company Pvt. Ltd. (Associate of Amar Chitra Katha Pvt. Ltd. from February 14, 2012)	And Designs India Limited Capital Foods Exportts Pvt. Ltd. Capital Foods Limited (Subsidiary of Capital Foods Exportts Pvt. Ltd.) Integrated Food Park Pvt. Ltd. (Subsidiary of Capital Foods Limited) Turtle Limited (Associate of Indus League Clothing Limited) Biba Apparels Pvt. Ltd. (With effect from March 14, 2011) Amar Chitra Katha Pvt. Ltd. (With effect from March 19,2011)
iii) Joint Ventures	Holii Accessories Pvt. Ltd. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited) Clarks Future Footwear Limited (With effect from June 29, 2011)	Holii Accessories Pvt. Ltd. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited)
iv) Enterprises over which key management personnel can exercise control/ significant influence	Pantaloon Retail (India) Limited PIL Industries Limited (Formerly known as Pantaloon Industries Limited) Akar Estate & Finance Pvt. Ltd. Anchor Mall Pvt. Ltd. Bansi Mall Management Co. Pvt. Ltd. ESES Commercial Pvt. Ltd. Future Corporate Resources Limited Future Human Development Limited Future Ideas Company Limited Future Ideas Realtors India Limited Future Outdoor Media Solutions Limited Ishkrupa Mall Management Co. Pvt. Ltd. Manz Retail Pvt. Ltd. Nufuture Digital (India) Limited PRTL Enterprises Limited Splendor Fitness Pvt. Ltd. (Formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) Suhani Trading & Consultants Pvt. Ltd. Future Finance Limited Future Media (India) Limited Future E-Commerce Infrastructure Limited	Pantaloon Retail (India) Limited PIL Industries Limited (Formerly known as Pantaloon Industries Limited) Future Capital Investment Pvt. Ltd. Future Capital Holdings Limited Future Corporate Resources Limited Future Ideas Realtors India Limited Future Ideas Company Limited Future Value Retail Limited Home Solutions Retail (India) Limited Future Agrovet Limited Winner Sports Limited Future Capital Financial Services Limited Future Finance Limited Kshitij Investment Advisory Company Limited Splendor Fitness Pvt. Ltd. (Formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) Future Realtors (India) Pvt. Ltd. Iskrupa Mall Management Company Pvt. Ltd. Anchor Malls Pvt. Ltd. Future Brands Limited Bansi Mall Management Co. Pvt. Ltd.



Particulars	March 31,2012	March 31,2011
	Future Generali India Life Insurance Company Limited Future Generali India Insurance Company Limited Future Ventures Employee Welfare Trust	Future Outdoor Media Solutions Limited
v) Key Management Personnel	Kishore Biyani - Managing Director	Kishore Biyani - Managing Director

B. Transactions with Related Parties

(₹ In Lakhs)

Nature of Transactions	Subsidiaries	Associates	Joint Ventures	Enterprises over which key management personnel can exercise control/significant influence	Key Management Personnel
Purchase of Investments (Equity Shares) (Refer Note (i))	6,064.79 (16,000.00)	3,500.00 (1,801.98)	100.00 (100.00)	2,325.00 (12,005.00)	- -
Purchase of Investments (Preference Shares)	145.00 -	- -	- -	- -	- -
Purchase of Investments (Optionally Convertible Debentures) (Refer Note (i))	4,500.00 -	2,500.00 -	- -	- -	- -
Sale of Investments	- (1,250.00)	- -	- -	- (300.00)	- -
Issue of Equity Shares	- -	- -	- -	- (25,000.00)	- -
Loans & Advances Given	- -	- -	- -	861.00 -	- -
ICDs Given	51,670.00 (3,055.00)	29,827.00 (900.00)	1,800.00 (350.00)	31,727.00 (13711.60)	- -
Loans & Advances Received Back	- -	- -	- -	661.00 -	- -
Interest Income	1,235.08 (174.00)	641.05 (8.03)	14.28 (10.94)	987.54 (748.17)	- -
ICDs Received back	47,255.00 (3,125.00)	24,680.00 (800.00)	1700.00 (350.00)	22,016.60 (17,795.00)	- -
Dividend Income	- -	23.73 -	- -	- -	- -
Managerial Remuneration	- -	- -	- -	- -	17.92 -
Reimbursement of Expenses and Other Expenses	- (0.11)	7.95 -	0.09 -	7.54 (24.08)	- -
Rent Expenses	- -	- -	- -	4.99 (14.03)	- -
Mentoring and Advisory Fees	- -	- -	- -	1,500.00 (132.36)	- -
Brand Royalty	- -	- -	- -	137.88 (110.30)	- -
Advertisement Expenses	- -	- -	- -	657.26 -	- -
Sale of Fixed Assets	- -	- -	- -	- (2.79)	- -

(₹ In Lakhs)

Nature of Transactions	Subsidiaries	Associates	Joint Ventures	Enterprises over which key management personnel can exercise control/significant influence	Key Management Personnel
Interest Receivable	81.11 (22.49)	74.81 (0.62)	0.31 -	106.42 (35.69)	- -
Other Receivables	- -	- -	- -	0.31 -	- -
Advances for Purchase of Shares	- (1,175.00)	- (10.00)	- -	- -	- -
Trade Advance Given and Settled	- -	- -	- -	- (1,350.00)	- -
ICDs Outstanding	5,820.00 (1,405.00)	5,562.00 (100.00)	100.00 -	14,937.00 (5,191.60)	- -
Loans and Advances outstanding	- -	- -	- -	200.00 -	- -
Payables	- -	- -	- -	- (231.62)	- -
Bank Guarantees and Securities Given	3,900.00 (5,800.00)	- -	- -	- -	- -

Notes:

- Includes Optional convertible debentures amounting to ₹ 2,000 Lakhs issued by a subsidiary company Aadhaar Retailing Limited which has been converted into equity shares of ₹ 10 each.
- Figures in bracket represent previous year's figures.



C. Disclosure in respect of Material Transactions with Related Parties

(₹ In Lakhs)

Nature of Transactions	Particulars	March 31, 2012	March 31, 2011
Purchase of Investments (Equity Shares) (Refer Note (i))	Future Consumer Enterprise Limited	-	16,000.00
	Indus League Clothing Limited	1,174.38	-
	Aadhaar Retailing Limited	2,100.00	-
	Amar Chitra Katha Pvt. Ltd.	2,253.11	-
	Pantaloon Industries Limited	2,325.00	-
	Capital Foods Exportts Pvt. Ltd.	3,500.00	-
	Future Corporate Resources Limited	-	3,932.85
Purchase of Investments (Preference Shares)	Future Consumer Products Limited	145.00	-
Purchase of Investments (Optional Convertible Debentures) (Refer Note (i))	Aadhaar Retailing Limited	2,000.00	-
	Future Consumer Enterprises Limited	2,500.00	-
	Capital Foods Exportts Pvt. Ltd.	2,500.00	-
Sale of Investments	Indus League Clothing Limited	-	1,250.00
	Future Realtors (India) Pvt. Ltd.	-	300.00
Issue of Equity Shares	Pantaloon Retail India Limited	-	15,000.00
	Future Capital Investment Pvt. Ltd.	-	10,000.00
Dividend Income	And Design India Limited	4.41	-
	Biba Apparels Pvt. Ltd.	19.32	-
Interest Income	Aadhaar Retailing Limited	-	45.68
	Lee Cooper (India) Limited	-	120.35
	Indus League Clothing Limited	856.63	-
	Iskrupa Mall Management Company Pvt. Ltd.	-	176.98
	Bansi Mall Management Co. Pvt. Ltd.	-	208.15
Managerial Remuneration	Mr. Kishore Biyani	17.92	-
Reimbursement of Expenses and Other Expenses	Integrated Food Park Pvt. Ltd.	7.95	21.00
	Future Generali India Life Insurance Company Limited	2.72	-
	Future Generali India Insurance Company Limited	2.68	-
Rent Expenses	Future Finance Limited	4.99	3.74
	Kshitij Investment Advisory Company Limited	-	10.29
Mentoring and Advisory Fees	Future Corporate Resources Limited	360.00	132.36
	Pantaloon Retail India Limited	1,140.00	-
Brand Royalty	Future Ideas Company Limited	137.88	110.30
Sale of Fixed Assets	Future Corporate Resources Limited	-	2.79
Interest Receivable	Aadhaar Retailing Limited	37.97	3.51
	Integrated Food Park Pvt. Ltd.	58.47	NA
	Lee Cooper (India) Limited	NA	14.91
	Future Ideas Company Limited	NA	23.19

(₹ In Lakhs)

Nature of Transactions	Particulars	March 31, 2012	March 31, 2011
Other Receivables	Future Generali India Life Insurance Company Limited	0.05	-
	Future Generali India Insurance Company Limited	0.27	-
Loans and Advances Given	Future Ventures Employee Welfare Trust	861.00	-
ICDs Given	Indus League Clothing Limited	37,085.00	NA
	Aadhaar Retailing Limited	NA	1,780.00
	Splendor Fitness Pvt. Ltd.	NA	2,250.00
	Iskrupa Mall Management Company Pvt. Ltd.	NA	2,025.00
	Bansi Mall Management Company Pvt. Ltd.	NA	4,025.00
	Future Ideas Company Limited	NA	2,090.00
Loans and Advances received back	Future Ventures Employee Welfare Trust	661.00	-
ICDs Received Back	Indus League Clothing Limited	34,860	NA
	Aadhaar Retailing Limited	NA	1,875.00
	Splendor Fitness Pvt. Ltd.	NA	2,250.00
	Iskrupa Mall Management Company Pvt. Ltd.	NA	4,050.00
	Bansi Mall Management Company Limited	NA	4,200.00
Advances for Purchase of Shares	Indus League Clothing Limited	-	1,175.00
Trade Advance Given and Settled	Future Corporate Resources Limited	-	1,350.00
ICDs Outstanding	Aadhaar Retailing Limited	NA	230.00
	Lee Cooper (India) Limited	NA	650.00
	Bansi Mall Management Co. Pvt. Ltd.	NA	1,925.00
	Future Ideas Company Limited	NA	2,090.00
Loans and Advances outstanding	Future Ventures Employee Welfare Trust	200.00	-
Payables	Future Corporate Resources Limited	-	121.33
	Future Ideas Company Limited	-	110.29
Bank Guarantees and Securities Given	Indus League Clothing Limited	3,300.00	3,300.00
	Indus Tree Crafts Pvt. Ltd.	600.00	600.00
	Aadhaar Retailing Ltd (Refer Note (ii))	-	1,900.00

Notes:

- Includes optionally convertible debentures amounting to ₹ 2,000 Lakhs issued by subsidiary company Aadhaar Retailing Limited has been converted into equity.
- In the previous year, 7,000,000 shares of Aadhaar Retailing Limited held by the Company have been pledged to Future Capital Holdings Limited.



31. EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Travelling and Conveyance Expenses	1.79	1.92
Miscellaneous Expenses	-	0.01
Legal and Professional Fees	6.69	-
TOTAL	8.48	1.93

32. CONTINGENT LIABILITIES

A. Bank Guarantees and Asset Given as Security

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Bank Guarantees		
Indus League Clothing Ltd.	3,300.00	3,300.00
Indus Tree Crafts Pvt. Ltd.	600.00	600.00
Asset Given as Security *		
Aadhaar Retailing Ltd	-	1,900.00
TOTAL	3,900.00	5,800.00

* In the previous year, 7,000,000 Equity Shares in Aadhaar Retailing Limited have been pledged to Future Capital Holdings Limited (FCH) as security for loan availed by Aadhaar Retailing Limited from FCH.

- B. Share Purchase Obligation towards investment in Group Company (net of advances) is ₹ Nil (Previous Year – ₹ 2,188.08 Lakhs)
- C. No provision is presently considered necessary for Income tax demands aggregating to ₹ 113.20 Lakhs (Previous Year ₹ Nil) which are under various stages of appeal as the company is of the view that the said demands are not sustainable in law.

33. DISCLOSURE OF LOANS AND ADVANCES / INVESTMENTS AS PER CLAUSE 32 OF THE LISTING AGREEMENT

(₹ In Lakhs)

Name of the Company	As at March 31, 2012	
	Outstanding Loan Amount	Maximum Loan Amount outstanding
Subsidiaries		
Aadhaar Retailing Limited	1,770.00	1,870.00
Future Consumer Enterprises Limited	310.00	310.00
Indus League Clothing Limited	2,500.00	9,775.00
Indus Tree Producer Transform Pvt. Ltd.	-	200.00
IndusTree Crafts Pvt. Ltd.	290.00	335.00
Lee Cooper (India) Limited	950.00	2,650.00
TOTAL	5,820.00	15,140.00
Associates		
And Design India Limited	1,200.00	1,300.00
Biba Apperals Pvt. Ltd.	1,300.00	2,000.00
Capital Foods Limited	-	400.00
Capital Foods Exportts Pvt. Ltd.	965.00	2,565.00
Integrated Food Park Pvt. Ltd.	1,497.00	1,497.00
Turtle Limited	600.00	1,900.00
TOTAL	5,562.00	9,662.00

(₹ In Lakhs)

Name of the Company	As at March 31, 2012	
	Outstanding Loan Amount	Maximum Loan Amount outstanding
Companies in which Directors are interested		
Future Corporate Resources Limited	1,240.00	1,260.00
Future Ideas Company Limited	1,000.00	2,090.00
TOTAL	2,240.00	3,350.00
Investments held by Loanee Companies in its Subsidiary to whom loan has been given		
Name of the Company	No. of Shares Held	
Investments by Indus League Clothing Limited in its subsidiary Lee Cooper	1,800,000	
Investments by Indus Tree Crafts Private Limited in its subsidiary Indus Tree Producer Transform Pvt. Ltd.	694,355	

34. Disclosure Pursuant to Reserve Bank of India Notification DNBS.193DG (VL) - 2007 dated February 22, 2007 (Para 13 Disclosure) is given below :-

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ In Lakhs)

Particulars		Period March 31, 2012	
Liabilities side		Amount Outstanding	Amount Overdue
(1)	Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
Assets side			Amount Outstanding (₹ In Lakhs)
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured		-
	(b) Unsecured		26,681.64
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-



	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC Activities	
	(a) Loans where assets have been Repossessed	-
	(b) Loans other than (a) above	-
(4)	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. Unquoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	20,000.00
	Long Term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. Unquoted :	
	(i) Shares : (a) Equity	96,955.82
	(b) Preference	145.00
	(ii) Debentures and Bonds	5,000.00
	(iii) Units of mutual funds	6,855.31
	(iv) Government Securities	-
	(v) Others	-

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above:		
	Category	Amount Net of Provisions (₹ In Lakhs)	
		Secured	Unsecured
	1. Related Parties		
	(a) Subsidiaries	-	5,901.11
	(b) Companies in the same group	-	20,780.53
	(c) Other related parties	-	-
	2. Other than related parties	-	-
	TOTAL	-	26,681.64
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/ Break up or fair value or NAV	Book Value(Net of Provisions) (₹ In Lakhs)
	1. Related Parties		
	(a) Subsidiaries	-	84,073.81
	(b) Companies in the same group	-	18,027.01
	(c) Other related parties	-	-
	2. Other than related parties	-	26,855.31
	TOTAL	-	128,956.13
(7)	Other information:		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related parties	-	
	(b) Other than related parties	-	
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	
	(b) Other than related parties	-	
	(iii) Assets acquired in satisfaction of debt	-	



35. Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK) 2008 dated August 1, 2008 (CRAR Disclosure) is given below:-

A. Capital to Risk Asset Ratio

Sr. No.	Items	Current Year	Previous Year
	CRAR (%)		
i)	CRAR - Tier I capital (%)	91.68%	58.26%
ii)	CRAR - Tier II Capital (%)	0.14%	0.12%

B. Exposure to Real Estate

(₹ In lakhs)

Category	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential,	-	-
b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

C. Maturity pattern of Asset and Liability

(₹ In Lakhs)

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
Assets									
Inter Corporate Deposits	4,733.56	5,977.64	2,246.96	2,529.13	11,194.35	-	-	-	26,681.64
Investments	18,855.31	-	-	8,000.00	-	145.00	-	101,955.82	128,956.13

36. Disclosure of Frauds reported during the year vide DNBS.PD.CC No. 256/03.10.042/2011-12 Dated March 2, 2012 (as relied upon by auditors).

During the year there were no events of frauds noticed or reported by the Company.

37. INFORMATION ON JOINT VENTURE ENTITY

The particulars of the Company's Joint Venture Entities as at March 31, 2012 including its percentage holding and its proportionate share of Assets, Liabilities, Contingent Liabilities, Capital Commitments, Income and Expenditures of each Joint Venture Entities are given here below: -

(₹ In Lakhs)

Name of the Joint Venture	% Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenses
Holii Accessories Pvt. Ltd. (As at March 31, 2012)	50%	231.82 (150.84)	169.70 (93.53)	- (1.71)	- -	285.30 (196.70)	380.49 (283.80)
Clarks Future Footwear Limited (As at January 31, 2012)	50%	1,731.47 (NA)	634.89 (NA)	- (NA)	7.91 (NA)	1,185.49 (NA)	1,600.78 (NA)

(Figures within bracket represent previous year figures.)

38. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

Kishore Biyani
Managing Director

G.N. Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head – Legal

Gopal Bihani
Vice President - Finance

Place : Mumbai
Date : 24th May, 2012



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF FUTURE VENTURES INDIA LIMITED

1. We have audited the attached Consolidated Balance Sheet of **FUTURE VENTURES INDIA LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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. We did not audit the financial statements of subsidiaries and joint ventures, whose financial statements reflect total assets of ₹ 88,516.13 Lakhs as at March 31, 2012, total revenues of ₹ 81,816.58 Lakhs and net cash outflows amounting to ₹ 6,857.39 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. We, also, did not audit the financial statements of associates, whose Group's share of profits of ₹ 328.64 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
4. The financial statements of two associates which reflect the Group's share of profits of ₹ 753.71 Lakhs for the year ended March 31, 2012 was not audited and we have relied upon the unaudited financial statement provided by the Management of those associates for the purpose of our examination of Consolidated Financial Statements of the Group.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Subject to our comments in Para 4 and read with our comments in Para 3 and based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.008072S)

M.K.ANANTHANARAYANAN
Partner
(Membership No.19521)

Mumbai, 24th May 2012

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012.

Particulars	Note	As at March 31st 2012 ₹ In Lakhs	As at March 31st 2011 ₹ In Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	157,624.37	82,624.37
Reserves & Surplus	5	(13,870.62)	(9,936.18)
Minority Interest		3,794.64	3,465.75
Non Current Liabilities			
a) Long Term Borrowings	6	1,866.97	1,204.89
b) Other Long Term Liabilities	7	244.41	0.36
c) Long Term Provisions	8	118.25	99.31
		2,229.63	1,304.56
Current Liabilities			
a) Short Term Borrowings	9	16,591.29	16,682.81
b) Trade Payables	10	13,068.69	10,760.96
c) Other Current Liabilities	11	3,063.77	4,492.44
d) Short Term Provisions	12	609.39	352.22
		33,333.14	32,288.43
TOTAL		183,111.16	109,746.93
ASSETS			
Non Current Assets			
a) Fixed Assets (Net Block)	13		
(i) Tangible Assets		7,648.00	7,248.34
(ii) Intangible Assets		17,799.08	17,340.50
		25,447.08	24,588.84
(iii) Capital Work-in-Progress (Includes Proportionate share in Joint Venture ₹ 36.80 lakhs (Previous Year - ₹. 13.55 lakhs)		582.53	243.86
		26,029.61	24,832.70
b) Goodwill on Consolidation	1.A.i	39,428.71	31,593.87
c) Non-Current Investments	14	19,846.86	11,791.22
d) Deferred Tax Asset (Net)	15	144.51	10.76
e) Long Term Loan & Advances	16	4,812.34	2,639.84
f) Other Non Current Assets	17	25.00	2.55
		90,287.03	70,870.94
Current Assets			
a) Current Investments	18	29,723.76	384.96
b) Inventories	19	15,851.84	12,130.27
c) Trade Receivables	20	20,900.15	18,678.38
d) Cash and Cash Equivalents	21	2,539.38	729.68
e) Short Term Loan & Advances	22	23,137.59	6,915.42
f) Other Current Assets	23	671.41	37.28
		92,824.13	38,875.99
TOTAL		183,111.16	109,746.93

See accompanying Notes to Accounts forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K.Ananthanarayanan
Partner

Place : Mumbai
Date : 24th May, 2012

For and on behalf of the Board

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
REVENUE			
Revenue from Operations	24	85,825.43	54,715.90
Other Income	25	215.67	210.22
TOTAL		86,041.10	54,926.12
EXPENDITURE			
Cost of Material Consumed	26	23,704.13	14,516.89
Purchase of Traded Goods	27	37,567.83	22,502.40
Changes in inventories of Work In Progress, Finished Goods and Stock in Trade	28	(2,397.94)	(1,248.61)
Employee Benefit Expenses	29	6,487.55	4,490.03
Other Expenses	30	18,313.07	12,962.96
Finance Cost	31	2,400.89	2,388.38
Depreciation	13	2,302.72	2,534.84
Less: Transfer from Revaluation Reserve		(1.42)	(1.50)
		2,301.30	2,533.34
TOTAL		88,376.83	58,145.39
Profit/(Loss) before Exceptional Items and Tax		(2,335.73)	(3,219.27)
Exceptional Items	32	(3,322.77)	(448.03)
Loss before Tax		(5,658.50)	(3,667.30)
Less : Tax Expense			
Current Tax		974.83	384.00
MAT Credit Entitlement		(9.41)	(51.40)
Provision for tax relating to earlier years		48.55	(60.45)
Net Current Tax		1,013.97	272.15
Deferred Tax		(133.75)	1.52
Profit/(Loss) after Tax		(6,538.72)	(3,940.97)
Add: Share of Associates Profit/(Loss)		1,082.35	383.16
Add: Share of Minority Interest		1,182.51	861.86
Add : Adjustment on Acquisition of Subsidiaries		97.22	(55.97)
Profit/(Loss) after Share of Associates and Minority Interest		(4,176.64)	(2,751.92)
Basic and Diluted Earnings per Share (Face Value ₹ 10/- each)	40	(0.28)	(0.36)

See accompanying Notes to Accounts forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place : Mumbai
Date : 24th May, 2012

For and on behalf of the Board

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N. Bajpai
Chairman

Gopal Bihani
Vice President - Finance

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the Year Ended March 31, 2012		For the Year Ended March 31, 2011	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Loss before tax as per Statement of Profit and Loss		(5,658.50)		(3,667.30)
Adjustments for :				
Depreciation	2,301.31		2,533.35	
Interest & Financial Charges	2,400.89		2,407.41	
Interest Income	(3,908.96)		(868.51)	
Interest Income on Income Tax Refund	(5.95)		-	
Dividend Income	(652.37)		(46.15)	
Lease Rent Machinery Income	(38.95)		-	
(Profit)/Loss on Sale of Investments	(144.91)		(0.03)	
Loss on Sale of Fixed Assets & Asset Written Off (Net)	451.68		135.48	
Gain on Disposal of Subsidiary	-		(51.76)	
Provision for Doubtful Debts and Advances	87.16		96.46	
Provision for Gratuity	50.43		28.54	
Provision for Compensated Absences	5.29		16.97	
Provision for Standard Assets	49.96		16.74	
Preliminary Expenses written off	-		0.01	
Provision no longer required written back	(102.36)		(33.31)	
Inventory Reserve	2.82		-	
Proportionate Share of Joint Venture				
- Interest Income	(5.88)		(0.56)	
- Loss on Sale of Fixed Assets & Asset Written Off (Net)	10.81		-	
- Provision no longer required written back	(2.77)		-	
- Unrealised Loss on Foreign Exchange	118.16	616.36	4.02	4,238.66
Operating Profit/(Loss) before Working Capital changes		(5,042.15)		571.34
Decrease / (Increase) in Inventories	(2,302.07)		(1,189.51)	
Decrease / (Increase) in Trade Receivables	(586.14)		3,935.55	
(Increase) / Decrease in Loans & Advances	(26,909.66)		1,189.40	
Increase / (Decrease) in Current Liabilities and Provisions	(232.82)	(30,030.69)	4,096.22	8,031.66
Operating Profit/(Loss) after Working Capital changes		(35,072.84)		8,603.00
Income Taxes paid (Net of refunds)	(245.49)		(382.10)	
Dividend Income - Investment	652.34		46.15	
Interest Received - Investment	3,946.03	4,352.88	974.44	638.49
Net Cash from /(used in) Operating Activities (A)		(30,719.96)		9,241.48
B. CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of Fixed assets		15.80		19.94
Purchase of Fixed Assets		(2,100.56)		(16,556.68)
Proceeds from Sale of Investments		149,104.60		4,764.29
Purchase of Investments		(197,409.73)		(23,446.72)



Particulars	For the Year Ended March 31, 2012		For the Year Ended March 31, 2011	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
Advance for Share Subscription paid		-		(10.00)
Investment in / (Refund of) deposits		(25.17)		11.73
Interest Received - Retail		323.31		27.68
Lease Rent on Machinery Received		38.95		-
Dividend Received - Retail		0.03		-
Dividends Received from				
- Associates		39.33		15.60
Net Cash from / (used) in Investing Activities (B)		(50,013.44)		(35,174.16)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity Shares		75,000.00		25,000.00
Repayment of Share Application Money by Subsidiary		(141.92)		(228.08)
Buy Back of Shares by a Subsidiary		(2,158.10)		-
Proceeds from Borrowings		58,240.17		9,512.96
Repayment of Borrowings		(47,550.09)		(7,397.74)
Proceeds from Minority Shareholders towards Equity Shares		0.03		375.00
Payment of Share Issue Expenses by Subsidiary		(13.29)		(23.85)
Dividend Paid (Including Dividend Tax) by a Subsidiary		(5.32)		-
Interest and Finance Charges Paid		(3,601.32)		(2,313.54)
Net Cash from Financing Activities (C)		79,770.16		24,924.75
Net Decrease in Cash and Cash Equivalents (A+B+C)		(963.24)		(1,007.93)
Cash and Cash Equivalents as at the beginning of the year		722.27		1,791.36
Add: Adjustment on acquisition of subsidiary and joint venture		2,769.26		56.70
Add: Adjustment on disposal of subsidiary		-		(117.86)
Cash and Cash Equivalents as at the end of the year		2,528.30		722.27
Net (Decrease) / Increase in Cash and Cash Equivalents		(963.24)		(1,007.93)
Reconciliation of cash and cash Equivalents with amounts reflected in Balance Sheet:				
Cash and Cash Equivalents as above		2,528.30		722.27
Add: Bank deposits not considered as cash equivalent		11.08		7.41
Cash and Cash Equivalents as per Balance sheet		2,539.38		729.68

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K.Ananthanarayanan
Partner

Place : Mumbai
Date : 24th May, 2012

For and on behalf of the Board

Kishore Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

G.N.Bajpai
Chairman

Gopal Bihani
Vice President - Finance

NOTES TO ACCOUNTS

1. BASIS OF CONSOLIDATION

The consolidated financial statements relate to Future Ventures India Limited (the Company), its subsidiaries, joint ventures and associates.

A. Basis of Accounting

- a. The financial statements of the subsidiaries, joint ventures and associates considered in the consolidation have been drawn up to the same reporting date as of the Company i.e. year ended March 31, 2012 except in the case of Joint Venture, Clarks Future Footwear Limited and Celio Future Fashion Limited, (Joint Venture of subsidiary Indus League Clothing Limited) whose reporting date is January 31, 2012.
- b. The financial statements of the Group have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 1956 (the Act), the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 as amended, and guidelines issued by Reserve Bank of India for Non-Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

B. Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- b. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures.
- c. Investments in associate companies has been accounted as per the 'Equity method', as laid down in Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and accordingly, the share of profit / loss of each of the associate companies has been added to / deducted from the cost of investments.
- d. The excess of cost to the Company, of its investment in the subsidiaries and joint ventures over the Company's portion of equity is recognised in the financial statement as Goodwill. The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- e. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- f. Minority interest's share of net profit for the year in consolidated subsidiaries are identified and adjusted against the profit after tax of the group.
- g. In case of step up investment in existing subsidiaries, share of pre-acquisition profits/losses for the year relating to incremental investment is adjusted in the Statement of Profit and Loss as "Adjustment on Acquisition of Subsidiaries".
- h. The consolidated financial statements comprise the financial statements of Future Ventures India Limited and the following companies:-

Name of the Company	Relationship	Percentage held		Date on which relationship came into Existence	Date on which relationship ceased
		2011-12	2010-11		
Aadhaar Retailing Limited	Subsidiary	70.00%	70.00%	27.03.2008	NA
Indus Tree Crafts Pvt. Ltd. (Indus Tree)	Subsidiary	63.34%	52.53%	01.03.2010	NA
Indus Tree Producer Transformer Pvt. Ltd.	Subsidiary of Indus Tree	100%	NA	30.06.2011	NA



Name of the Company	Relationship	Percentage held		Date on which relationship came into Existence	Date on which relationship ceased
		2011-12	2010-11		
Indus League Clothing Limited (Indus League)	Subsidiary	95.29%	85.70%	30.01.2010	NA
Lee Cooper (India) Limited	Subsidiary of Indus League	100%	100%	30.01.2010	NA
Celio Future Fashion Limited	Joint Venture of Indus League	50.00%	50.00%	30.01.2010	NA
Turtle Limited	Associate of Indus League	26.00%	26.00%	30.01.2010	NA
Future Consumer Enterprises Limited	Subsidiary	100%	100%	02.08.2010	NA
Future Consumer Products Limited	Subsidiary	90%	90%	29.06.2010	NA
Amar Chitra Katha Pvt. Ltd. (ACK)	Subsidiary	68.12%	NA	30.06.2011	NA
India Books & Magazines Distributors Pvt. Ltd.	Subsidiary of ACK	100%	NA	30.06.2011	NA
ACK Edutainment Pvt. Ltd.	Subsidiary of ACK	100%	NA	30.06.2011	NA
ACK Eaglemoss Collectibles Publishing Pvt. Ltd.	Subsidiary of ACK	100%	NA	30.06.2011	NA
ACK Media Direct Pvt. Ltd.	Subsidiary of ACK	100%	NA	30.06.2011	NA
Karadi Tales Company Pvt. Ltd.	Subsidiary of ACK	51%	NA	30.06.2011	NA
Karadi Path Education Company Pvt. Ltd.	Subsidiary of ACK	51%	NA	30.06.2011	13.02.2012
Ideas Box Entertainment Pvt. Ltd.	Subsidiary of ACK	100%	NA	30.06.2011	NA
Karadi Path Education Company Pvt. Ltd.	Associate of ACK	28%	NA	14.02.2012	NA
Holii Accessories Pvt. Ltd.	Joint Venture	50.00%	50.00%	02.11.2009	NA
Clarks Future Footwear Limited	Joint venture	50.00%	NA	29.06.2011	NA
And Designs India Limited	Associate	22.86%	22.86%	21.10.2009	NA
Capital Food Exportts Pvt. Ltd.	Associate	43.76%	40.81%	15.02.2010	NA
BIBA Apparels Pvt. Ltd.	Associate	28.30%	17.31%*	14.03.2011	NA
Amar Chitra Katha Pvt. Ltd.	Associate	-	13.65%*	19.03.2011	30.06.2011

* Associate in the Previous Year by virtue of significant influence exercised in the operating and financing decisions of investee companies by virtue of Shareholder Agreement entered into with the Company.

- i. Goodwill recognized in the financial statements with regard to subsidiaries and joint ventures is as follows:

(₹ In Lakhs)

Particulars	March 31, 2012	March 31, 2011
Aadhaar Retailing Limited	262.15	262.15
Indus League Clothing Limited (*)	30,598.55	28,735.51
Indus Tree Craft Pvt. Ltd. (*)	729.68	517.92
Future Consumer Enterprises Limited	22.17	22.17
Future Consumer Products Limited	2,055.97	2,055.97
Amar Chitra Katha Pvt. Ltd. (*)	4,807.78	-
Clarks Future Footwear Limited (*)	952.26	-
Holii Accessories Pvt. Ltd.	0.15	0.15
TOTAL	39,428.71	31,593.87

- j. Goodwill / (Capital Reserve) included in carrying amount of investments in Associates:

(₹ In Lakhs)

Particulars	March 31, 2012	March 31, 2011
And Designs India Limited	371.45	371.45
Capital Food Exportts Pvt. Ltd. (*)	5,948.88	3,386.24
Turtle Limited	834.62	834.62
BIBA Apparels Pvt. Ltd. (*)	2,044.64	336.89
Amar Chitra Katha Pvt. Ltd.	-	(552.63)
TOTAL	9,199.59	4,376.57

(*) The goodwill relating to entities acquired during the year have been accounted based on the unaudited financial statements provided by the management of the respective entities as on the date of acquisition or a date near to the acquisition.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes all direct expenses relating to the acquisition and installation of fixed assets. Borrowing Cost that are attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

B. Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except the following:

- In the case of the parent company and its subsidiary Indus Tree Crafts Pvt Ltd and associates And Design India Limited and BIBA Apparels Private Limited, fixed assets are depreciated on Written Down Value Method (WDV). However, the proportion of such assets which are depreciated on WDV method is not significant.
- Computer software is depreciated over an estimated useful life of 4 to 6 years and Signage is depreciated over a useful period of 3 years.



- c. Leasehold improvements are amortized over the estimated useful life or the primary period of lease whichever is less.
- d. Intangibles in the nature of Goodwill, Trade Mark, and Other Intangibles are amortized over the estimated useful life of 10 to 15 years or as per the right of use given in the relevant agreement.
- e. In respect of a Subsidiary, it had acquired rights of various brands for a period of 25 years. Consideration paid for acquisition of these rights were amortized over a period of 10 years in the earlier years. During the year, the management of Subsidiary has estimated that the economic benefits of the said intangibles assets is expected to flow over the tenure of the license agreement and hence revised the period of amortization from 10 years to 25 years being the period of agreement of license rights. Consequent to this change in estimate, the unamortized amount of Brands as on April 1, 2011 will now be amortised equally over the remaining agreement period.
- f. Hard Furnishing assets which include computers, office equipments, air-conditioners and shop interiors are depreciated over the estimated useful life of the assets which ranges between 3 to 10 years depending on the nature of the assets and its usage.
- g. The difference between depreciation provided on revalued amount and on historical cost is transferred from Revaluation Reserve to Statement of Profit and Loss.
- h. Assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

C. Capital Grant

Government grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants / subsidies will be received.

When the grant or subsidy from the Government relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the grant or subsidy from the Government is in the nature of promoters' contribution, where no repayment is ordinarily expected in respect thereof, it is credited to Capital Reserve and treated as a part of Shareholders' funds on receipt basis.

D. Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Other investments are classified as long-term investments.

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. If the Balance Sheet of the unlisted investee company is not available for two years, shares in such companies are valued at one Rupee only which is in accordance with the prudential norms prescribed by the Reserve Bank of India for Non- Banking Financial (Non Deposit Accepting or Holding) Companies.

Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. For this purpose, the investments shall be categorized as equity, preference, debentures, etc. and considered scrip-wise and the cost and market value aggregated for all investments in each category.

In the case of the Company, which is governed by guidelines issued by the Reserve Bank of India for Non-Banking Financial (Non Deposit Accepting or Holding) Companies, the unquoted investments in the units of mutual funds held by the parent company in the nature of current investments are valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

The reclassification of investments from long term to current investments would be effected with the approval of the Board of Directors.

E. Revenue Recognition.

Profit / Loss on sale of investments - Realized gain or loss on investments which is the difference between the sale consideration and the carrying cost is recognized in the Statement of Profit and Loss on the date of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

The cost of investments acquired or purchased would include brokerage, stamp charges and any duties directly related to the acquisition of investment.

Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements, for the year.

Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Company obtains an enforceable obligation to pay the price or, in the event of sale, when the Company obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

Dividend income is recognized when the right to receive the same is established.

Interest income from financing activities is recognized at the rates implicit in the contract. Unrealized Interest income relating to Non-performing assets is derecognized.

Brand Royalty is recognised on accrual basis in accordance with the terms of the relevant agreement.

Fee for services rendered is recognized at the specific rates as per the terms of contract.

Advisory fee payable for advisory services is recognized at the specific rates and as per the terms agreed.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer which normally coincides with delivery. Sales are net of returns, sales tax, rebates, discounts etc. Revenue by way of sale of shops-in-shop arrangements with other retailers is recognized on delivery of goods to such retailers which coincides with the transfer of significant risks and rewards of ownership in the goods as per the terms of the relevant contracts. Sales returns and provision for goods that are expected to be returned are made based on management estimation taking into account the past experience.

F. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventory is determined on weighted average basis in respect of Trading Goods while in the case of others it is determined on First in First out basis. Finished Goods includes cost of purchase, cost of conversion and other overheads incurred in bringing the inventory to its present location and condition. Net realizable value is the estimated selling price in ordinary course of business, less estimated costs necessary to make the sales.

G. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates.

Exchange differences arising on actual payment / realization and year end re-instatement referred to above are recognized in the Statement of Profit and Loss.

Any gain or loss on account of exchange differences either on settlement/restatement of foreign currency transactions are recognised in the Statement of Profit and Loss except in case of long term foreign currency monetary items, where they relate to acquisition of fixed assets, are capitalized as part of the depreciable fixed assets to which the monetary item relates and are depreciated over the remaining useful life of such items by exercising the option available vide Ministry of Corporate Affairs notification dated March 31, 2009 as amended.

H. Leases

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

Finance lease is capitalized at fair value of the asset or the present value of minimum lease payment at the inception of the lease, whichever is lower.

I. Retirement Benefits

Defined Benefit Plan

Gratuity liability determined on actuarial valuation performed in accordance with the projected unit credit method, as at the Balance Sheet date is provided for.

Actuarial gains and losses arising from the effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the year in which they are incurred.

Defined Contribution Plan

Fixed contributions to Provident Fund and Employees State Insurance are recognized in the accounts on actual cost to the Company.



Compensated Absences

Liability for short term compensated absences is recognized as expense based on the estimated cost of eligible leave to the credit of the employees as at the Balance Sheet date on undiscounted basis. Liability for long term compensated absences determined on the basis of actuarial valuation as on the Balance Sheet date is provided for.

J. Taxation

Current tax is determined on the income for the year chargeable to tax in accordance with the applicable provisions of the Income tax Act, 1961.

Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and tax laws that are enacted or substantially enacted as on the Balance Sheet date. When the Company has unabsorbed depreciation and business losses under tax laws, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

K. Segmental reporting

The Accounting policies adopted for segmental reporting are in line with the Accounting policies of the Company.

- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under unallocated corporate expenses.
- Inter segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimization objective for the enterprise.

L. Impairment of assets

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 greater of the assets net selling price and value in use. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

M. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

N. Deferred Compensation Cost

In respect of stock options, granted pursuant to the Company’s Employee Stock Option Scheme 2011, the Company determines the compensated cost based on the intrinsic value method and the compensation cost is amortised on a straight line basis over the vesting period.

4. SHARE CAPITAL

- The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Authorised		
5,000,000,000(Previous year - 5,000,000,000) Equity Shares of ₹ 10/- each	500,000.00	500,000.00
	500,000.00	500,000.00
Issued, Subscribed and Fully Paid-up Capital		
1,576,243,700 (Previous year - 826,243,700) Equity Shares of ₹ 10/- each	157,624.37	82,624.37
TOTAL	157,624.37	82,624.37

b) The authorised, issued, subscribed and fully paid up capital comprises of equity shares of ₹ 10/- each as under :-

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
No. of equity shares at the beginning of the year	826,243,700	82,624.37	576,243,700	57,624.37
No. of equity shares issued during the year (Refer Note (i) and (ii))	750,000,000	75,000.00	250,000,000	25,000.00
No. of equity shares at the end of the year	1,576,243,700	157,624.37	826,243,700	82,624.37

Notes:

- Pursuant to the Initial Public Offer made during the month of April 2011, the Company issued 750,000,000 Shares of ₹ 10 each at a price of ₹ 10 each raising ₹ 75,000 Lakhs. The shares of the Company were listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited on May 10, 2011.
 - During the previous year, the Company had issued 250,000,000 Equity shares at par value of ₹ 10/- each to promoter companies on preferential basis.
- c) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% of Holding	No. of shares	% of Holding
Pantaloon Retail India Limited	150,000,000	9.52	150,000,000	18.15
Gargi Developers Pvt. Ltd.	126,251,081	8.01	-	-
PIL Industries Limited	122,000,000	7.74	122,000,000	14.77
Bennett, Coleman and Company Limited	100,000,000	6.34	100,000,000	12.10
Central Departmental Stores Pvt. Ltd.	95,838,700	6.08	-	-
Future Capital Investment Pvt. Ltd.	-	-	101,800,000	12.32
Future Corporate Resource Limited	-	-	68,045,000	8.24

d) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended March 31, 2012 and March 31, 2011, the Company has not declared any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

5. RESERVES AND SURPLUS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Capital Redemption Reserve		
Opening Balance	5.20	5.20
Add: Transfer from Securities Premium [#]	0.70	-
Less: Adjustments on Consolidation	(0.70)	-
	5.20	5.20
Revaluation Reserve		
Opening Balance	24.92	25.71
Less: Transfer to Statement of Profit and Loss	(1.42)	(1.50)
Add: Adjustments on Consolidation	0.62	0.71
	24.12	24.92



Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Statutory Reserve*	338.58	338.58
Securities Premium in Subsidiary		
Opening Balance	-	-
Add: Securities Premium received on issue of Equity Shares	101.21	-
Less: Transfer to Capital Redemption Reserve#	(0.70)	-
Less: Share Issue Expenses of Subsidiary	(7.42)	-
	93.09	-
General Reserve	0.59	0.59
Capital Reserve		
Opening Balance	-	-
Add: Share of Capital Reserve in an Associate	129.75	-
	129.75	-
Surplus/(Deficit)		
Opening Balance	(10,305.47)	(7,548.04)
Add: Current Year Loss	(4,176.64)	(2,751.92)
Add : Adjustment on Conversion into Subsidiaries	22.82	-
Less: Tax on Proposed dividend relating to Subsidiary	(2.66)	(5.51)
	(14,461.95)	(10,305.47)
TOTAL	(13,870.62)	(9,936.18)

* Represents the reserve created in accordance with the provisions of Section 45IC of the Reserve Bank of India Act, 1934.

Pursuant to buy back of Shares by a Subsidiary.

6. LONG TERM BORROWINGS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
SECURED LOANS		
Term Loan from Banks	1,115.83	991.17
Term Loan from Others	5.66	1.22
Finance Lease Obligations	1.10	-
Proportionate Share in Joint Ventures	434.38	212.50
	1,556.97	1,204.89
UNSECURED LOANS		
8% Optionally Convertible Debentures	310.00	-
	310.00	-
TOTAL	1,866.97	1,204.89

7. OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Trade Payables		
- Due to Micro Enterprises and Small Enterprises*	-	-
- Dues - Others	191.18	-
	191.18	-
Other Liabilities		
Security Deposits	11.75	-
Others	41.48	0.36
	53.23	0.36
TOTAL	244.41	0.36

* As identified by the management and relied upon by the auditors.

8. LONG TERM PROVISIONS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Provision for Gratuity	111.94	97.00
Proportionate Share in Joint Ventures	6.31	2.31
TOTAL	118.25	99.31

9. SHORT TERM BORROWINGS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
SECURED LOANS – Loans Payable on Demand		
Working Capital Loan from Banks	14,639.02	13,459.40
Cash Credit from Banks	408.40	296.22
Proportionate Share in Joint Ventures	525.00	300.00
	15,572.42	14,055.62
UNSECURED LOANS		
Inter Corporate Deposits from others	-	500.00
Cash Credits – Payable on Demand	0.09	-
Other Loans	18.78	2,127.19
Proportionate Share in Joint Ventures*	1,000.00	-
	1,018.87	2,627.19
TOTAL	16,591.29	16,682.81

* Loans from Related Parties



10. TRADE PAYABLES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Acceptances	809.12	992.09
Trade Payables		
- Due to Micro Enterprises and Small Enterprises*	-	-
- Dues – Others	9,100.05	8,688.27
Proportionate Share in Joint Ventures	3,159.52	1,080.60
TOTAL	13,068.69	10,760.96

* As identified by the management and relied upon by the auditors.

11. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Advance from Customers	144.28	13.39
Current Maturities of Long Term Debt	478.20	717.74
Current Maturities of Finance lease obligation	0.54	10.83
Security Deposits	98.62	21.08
Interest accrued but not due	5.38	805.89
Statutory Dues	365.19	331.25
Creditors for Capital Goods	45.36	119.37
Advance against Gift Vouchers	20.81	221.80
Stale Cheque	59.05	52.99
Provision for expenses	1,196.43	1,968.40
Other Liabilities	13.22	141.30
Proportionate Share in Joint Ventures	636.69	88.40
TOTAL	3,063.77	4,492.44

12. SHORT TERM PROVISIONS

Particulars	As at March 31st 2012 ₹ In Lakhs	As at March 31st 2011 ₹ In Lakhs
Employees Benefits		
Provision for Compensated Absences	131.55	70.08
Provision for Gratuity	9.81	7.40
Bonus, Incentives and others	88.00	94.03
Others		
Provision for Dividend Tax relating to Subsidiary	2.66	2.72
Provision for Standard Assets	66.70	16.74
Proportionate Share in Joint Ventures	310.67	161.25
TOTAL	609.39	352.22

13. FIXED ASSETS

(₹ In Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block		
	As at April 1, 2011	Additions on Acquisition	Other Additions	Deletions	As at March 31, 2012	As at April 1, 2011	Additions on Acquisition	For the Period	Deletions	As at March 31, 2012	As at March 31, 2011
TANGIBLE ASSETS											
Land	600.08	-	-	-	600.08	-	-	-	-	600.08	600.08
Building	643.55	-	-	-	643.55	65.94	-	11.80	-	565.81	577.61
Office Equipments	491.26	39.77	45.19	91.30	484.92	86.04	6.65	31.87	17.51	377.87	405.22
Computers	815.77	150.09	76.81	68.28	974.39	555.36	70.35	110.87	50.95	288.76	260.41
Furniture & Fixtures	1,610.61	107.05	290.60	131.43	1,876.83	288.42	51.81	139.48	35.69	1,432.81	1,322.19
Vehicles	7.21	27.97	11.69	11.78	35.09	5.61	7.32	1.33	2.32	23.15	1.60
Plant & Machinery	455.80	2.27	30.09	1.59	486.57	121.92	0.35	23.95	0.70	341.05	333.88
Leasehold Improvement	756.73	7.70	20.68	209.33	575.78	182.02	3.63	57.13	57.49	390.49	574.71
Electrical Fittings	0.56	-	12.76	-	13.32	0.10	-	0.38	-	12.84	0.46
Signage	185.92	-	17.90	8.95	194.87	160.81	-	29.47	8.95	181.33	25.11
UPS	3.79	-	0.70	-	4.49	1.40	-	0.42	-	2.67	2.39
Shop Interior	4,090.53	-	340.93	239.23	4,192.23	1,449.74	-	438.89	133.84	2,437.44	2,640.79
Proportionate Share in Joint Ventures	623.72	78.06	757.50	18.55	1,440.73	119.83	2.48	164.61	7.68	1,161.49	503.89
Total	10,285.53	412.91	1,604.85	780.44	11,522.85	3,037.19	142.59	1,010.20	315.13	7,648.00	7,248.34
Previous Year	9,067.20	227.56	1,299.12	308.35	10,285.53	2,296.35	1.47	879.93	140.56	7,248.34	6,770.85
INTANGIBLE ASSETS											
TradeMark & Brand	16,138.70	2,078.62	152.36	174.98	18,194.70	1,467.40	433.78	837.45	36.95	15,493.02	14,671.30
Software	315.42	117.23	11.16	35.39	408.42	182.45	31.37	88.11	29.25	135.74	132.97
Goodwill	3,662.03	-	-	-	3,662.03	1,129.13	-	366.20	-	2,166.70	2,532.90
Proportionate Share in Joint Ventures	4.47	-	1.05	-	5.52	1.14	-	0.76	-	3.62	3.33
Total	20,120.62	2,195.85	164.57	210.37	22,270.67	2,780.12	465.15	1,292.52	66.20	17,799.08	17,340.50
Previous Year	4,981.10	-	15,139.52	-	20,120.62	1,125.21	-	1,654.91	-	17,340.50	3,855.89
GRAND TOTAL	30,406.15	2,608.76	1,769.42	990.81	33,793.52	5,817.31	607.74	2,302.72	381.33	25,447.08	24,588.84
Previous year	14,048.30	227.56	16,438.64	308.35	30,406.15	3,421.56	1.47	2,534.84	140.56	24,588.84	10,626.74



14. NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
a) Investment in Associates - Trade - Unquoted		
i) In Equity Shares		
Cost of Investment	14,175.46	9,815.41
(Includes ₹ 9,199.59 lakhs (Previous year - ₹ 4,376.57 lakhs) representing Goodwill (net of Capital Reserve). Refer Note 1.A.j)		
Add: Accumulated Share of Profit/(Loss) of Associates	1,569.03	486.68
Add: Adjustment on Conversion of Associate into Subsidiary	22.82	-
Add: Share of Revenue Reserves – Capital Reserve	129.75	-
Less: Dividend Received	(54.93)	(15.60)
ii) In Debentures		
0% Optional Convertible Debentures	2,500.00	-
	18,342.13	10,286.49
b) Investments in Others –Non Trade		
(i) Unquoted		
Equity Shares - Others	1,503.56	1,503.56
c) Other Investments – Non Trade		
(i) Quoted		
Equity Shares - Others	0.06	0.06
(Market Value - ₹ 0.24 lakh (Previous Year - ₹ 0.35 lakh))		
(ii) Unquoted		
National Savings Certificate (Lodged with Sales Tax Authorities)	1.11	1.11
TOTAL	19,846.86	11,791.22

15. DEFERRED TAX

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Depreciation	(1,560.43)	(496.09)
Provision for Compensated Absences &Gratuity	66.21	9.61
Business Loss and Unabsorbed Depreciation	1,549.84	465.81
Others	88.89	31.43
TOTAL	144.51	10.76

16. LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
a) Secured - Considered Good		
(i) Security Deposits	12.19	4.61
	<u>12.19</u>	<u>4.61</u>
b) Unsecured - Considered Good		
(i) Advances towards Purchase of Shares	-	10.00
(ii) Loans and advances to Related Parties	1,374.18	-
(iii) MAT Credit entitlement	60.81	51.40
(iv) Prepaid Taxes	471.95	503.78
(v) Security Deposits	1,863.54	1,675.59
(vi) Capital Advances	416.01	138.33
(vii) Other Loans and Advances	111.27	23.79
	<u>4,297.76</u>	<u>2,402.89</u>
c) Doubtful		
(i) Security Deposits : Considered Doubtful	91.18	73.73
Less: Provision for Doubtful Deposits	<u>(91.18)</u>	<u>(73.73)</u>
	-	-
Proportionate Share in Joint Ventures	502.39	232.34
TOTAL	<u><u>4,812.34</u></u>	<u><u>2,639.84</u></u>

17. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Balance with Banks in Deposit Account (Fixed Deposit of ₹ 22 lakhs (Previous Year ₹ Nil) lodged with Bank for issue of Guarantee in favour of Customers)	22.00	-
Proportionate Share in Joint Ventures	3.00	2.55
TOTAL	<u><u>25.00</u></u>	<u><u>2.55</u></u>

18. CURRENT INVESTMENTS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Investments - Non – Trade		
12% Optionally Convertible Debentures	2,500.00	-
Units of Mutual Funds	7,223.76	384.96
Certificate of Deposits	20,000.00	-
TOTAL	<u><u>29,723.76</u></u>	<u><u>384.96</u></u>



19. INVENTORIES (Lower of Cost or Net Realisable Value)

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Raw Materials	577.52	640.07
Work-in-Progress	1,181.91	1,938.32
Finished Goods	7,588.93	5,713.09
Finished Goods in Transit	245.97	246.40
Traded Goods	3,945.70	2,865.46
Proportionate Share in Joint Ventures	2,311.81	726.93
TOTAL	15,851.84	12,130.27

20. TRADE RECEIVABLES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Unsecured		
Outstanding for a period exceeding six months		
Considered Good	1,715.24	922.67
Considered Doubtful	19.75	76.16
Less: Provision for Doubtful Debts	(19.75)	(76.16)
	1,715.24	922.67
Others	17,684.01	16,971.63
Proportionate Share in Joint Ventures	1,500.90	784.08
TOTAL	20,900.15	18,678.38

21. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Cash and Cheques on Hand	47.23	31.92
Balance with Scheduled Bank		
- In Current Account	839.78	238.13
- In Fixed Deposit Accounts (Out of the Fixed Deposit of ₹ 6.04 lakhs (Previous Year ₹ Nil)) lodged with Bank for issue of Guarantee in favour of Customers)	371.49	387.27
Proportionate Share in Joint Ventures	1,280.88	72.36
TOTAL	2,539.38	729.68

22. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
a) Secured - Considered Good		
(i) Loans & Advances to Related Parties	-	1,925.00
b) Unsecured - Considered Good		
(i) Loans and advances to employee	38.43	27.36
(ii) Loans and advances to Related Parties	20,655.12	3,368.41
(iii) MAT Credit entitlement	-	7.12
(iv) Advances to Creditors	756.72	907.49
(v) Security Deposits	505.07	181.39
(vi) Balances with Government authorities	147.68	85.33
(vii) Other Loans and Advances	882.68	362.35
	22,985.70	4,939.45
c) Doubtful		
(i) Advances to Creditors	100.00	-
Less: Provision for doubtful Advances	(100.00)	-
	-	-
Proportionate Share in Joint Ventures	151.89	50.97
TOTAL	23,137.59	6,915.42

23. OTHER CURRENT ASSETS

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Interest Accrued on Deposits	570.82	37.20
Insurance Claims Receivable	100.29	-
Proportionate Share in Joint Ventures	0.30	0.08
TOTAL	671.41	37.28

24. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Sale of Products	76,519.28	51,457.99
Add: Proportionate Share in Joint Ventures	3,924.19	1,814.59
	80,443.47	53,272.58
Gain on Sale of Investment *	21.97	0.03
Interest Income:		
- On Bank Deposits/other Deposit	1,962.16	20.97
- Others	1,946.80	847.53
Dividend Income	652.37	46.17
Profit/(loss) on Sale of Long Term securities (Net)	122.94	-
Royalty Income	175.00	131.25
Other Operating Income	43.41	100.75
Cash Discount Received	449.85	296.06
Proportionate Share in Joint Ventures	7.46	0.56
TOTAL	85,825.43	54,715.90

*Include ₹ 2.10 lakhs (Previous Year ₹ 0.03 lakhs) being increase in carrying value based on the net asset value declared by Mutual Funds.



25. OTHER INCOME

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Lease Rental Income	38.95	38.63
Interest on Income tax Refund	5.95	-
Provision No Longer Required Written Back	102.36	34.55
Gain on Foreign Exchange (Net)	-	0.23
Miscellaneous Income	63.94	84.72
Gain on Disposal of Subsidiary	-	51.76
Proportionate Share in Joint Ventures	4.47	0.33
TOTAL	215.67	210.22

26. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Opening Stock of Raw Materials	640.07	526.49
Add: Adjustment on acquisition of subsidiary	25.73	-
Add: Purchases	23,615.85	14,630.47
Closing Stock of Raw Materials	(577.52)	(640.07)
TOTAL	23,704.13	14,516.89

27. PURCHASE OF TRADED GOODS

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Purchases	33,523.55	20,869.99
Less :- Loss of Stock on Fire	(96.04)	-
Proportionate Share in Joint Ventures	4,140.32	1,632.41
TOTAL	37,567.83	22,502.40

28. CHANGES IN INVENTORIES OF WORK IN PROGRESS, FINISHED GOODS AND STOCK IN TRADE

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Opening Stock of Work In Progress	1,938.32	1,053.33
Closing Stock of Work In Progress	(1,181.91)	(1,938.32)
	756.41	(884.99)
Opening Stock of Finished Goods	5,959.49	5,717.70
Add: Adjustment on acquisition of subsidiary	212.55	-
Closing Stock of Finished Goods	(7,834.90)	(5,959.49)
	(1,662.86)	(241.79)
Opening Stock of Stock-in-trade	2,865.46	3,269.93
Add: Adjustment on acquisition of subsidiary	804.55	-
Closing Stock of Stock-in-trade	(3,945.70)	(2,865.46)
	(275.69)	404.47
Proportionate Share of Joint Ventures	(1,215.80)	(526.30)
TOTAL	(2,397.94)	(1,248.61)

29. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Salaries Wages & Bonus	5,374.13	3,753.75
Contribution to Provident and Other Funds	307.09	208.08
Staff Welfare Expenses	185.13	190.20
Proportionate Share in Joint Ventures	621.20	338.00
TOTAL	6,487.55	4,490.03

30. OTHER EXPENSES

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Rent	2,704.54	2,136.66
Consumables & Packing Materials	199.84	-
Warehousing Charges	744.97	445.02
Manufacturing Expenses	1,862.70	3,139.28
Other purchase of materials	43.74	-
Power, Water & Fuel	403.12	338.50
Freight & Octroi	453.83	458.70
Advertisement, Publicity & Selling Expenses	3,008.75	2,045.94
Commission and Brokerage	226.44	235.69
Cash Discount	277.02	149.22
Repairs & Maintenance	541.14	367.63
Travelling Expenses	349.20	249.35
Postage, Telephone & Stationery	172.45	115.70
Legal and Professional Charges	678.04	231.89
Advisory & Mentoring Fees	1,500.00	132.36
Rates & Taxes	116.53	123.98
Insurance	61.78	68.07
Audit Fees (Refer Note 33)	90.74	45.99
Directors Sitting Fees	11.15	8.00
Loss on Sale/Retirement of Fixed Assets	451.68	135.48
Security & Housekeeping Expenses	67.71	56.79
Loss on Exchange Fluctuation	97.22	-
Brand Royalty	1,525.42	1,122.01
Bad Debts and Advances Written Off	57.25	155.78
Less: Adjusted against provisions	-	(103.03)
	57.25	52.75
Provision for Doubtful Debts & Advances	87.16	96.46
	144.41	149.21
Provision for Standard Assets	49.96	16.74
Miscellaneous Expenses	475.35	425.61
Proportionate Share in Joint Ventures	2,055.34	765.14
TOTAL	18,313.07	12,962.96



31. FINANCE COSTS

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Interest on		
- Working Capital Loans	1,616.82	1,241.04
- Fixed Loans	176.95	445.12
- Term Loans	30.52	153.52
- Others	258.94	316.76
Bank Charges	205.66	204.72
Lease Charges	0.55	2.16
Proportionate Share in Joint Ventures	111.45	25.06
TOTAL	2,400.89	2,388.38

32. EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
IPO Expenses (Refer Note (i))	3,100.30	448.03
Service Tax on Rent (Refer Note (ii))	222.47	-
TOTAL	3,322.77	448.03

Notes

- During the year, the Company has allotted 750,000,000 Shares at par value of ₹ 10 per equity share. The IPO expenses incurred during the year aggregating to ₹ 3,100.30 Lakhs (Previous Year ₹ 448.03 Lakhs) have been absorbed in the Statement of Profit and Loss.
- During the year, the subsidiary company Indus League Clothing Limited has made provision for rent payable on account of unpaid service tax on renting of immovable property payable to the lessors amounting to ₹ 222.47 Lakhs. This is as a result of an interim order passed by the Hon'ble Supreme Court in the case of M/s. Retailers Association of India vs. Union of India & Others.

33. DETAILS OF AUDIT FEES

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Statutory Audit	43.71	29.03
Taxation Matters	12.33	6.74
Other Services	24.92	6.53
Reimbursement of Expenses	9.78	3.69
TOTAL	90.74	45.99

34. CAPITAL COMMITMENTS

A. The estimated value of contracts remaining to be executed on Capital Account to the extent not provided:-

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Subsidiary	12.18	130.48
Joint Ventures	43.62	72.23
Associates	30.92	450.11
TOTAL	86.72	652.82

B. Share Purchase Obligation towards investment in Group Company (net of advances) is ₹ NIL (Previous Year – ₹ 2,188.08 lakhs)

35. EMPLOYEES STOCK OPTION PLAN

The Board at its meeting held on July 12, 2010, approved issue of Stock Options up to a maximum of 1 % of the paid up Equity Share Capital of the Company (before Rights Issue) aggregating to 50,000,000 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 subject to the approval of the shareholders under Section 81 (1A) of the Companies Act, 1956. The Shareholders of the Company at the Annual General Meeting held on August 10, 2010 approved the aforesaid issue of 50,000,000 Equity Shares of the Company under one or more Employee Stock Option Scheme(s). Post listing of the Company, the shareholders have ratified the Pre-IPO scheme. The Compensation and Nomination Committee has approved the following grants to certain directors and employees of the Company and some of its Business Ventures in accordance with the FVIL Employees Stock Option Plan 2011 (ESOP Scheme):

Particulars	Grant I	Grant II
Date of Grant	27 th March 2011	14 th Feb 2012
Exercise Price	₹ 10 per option	The Exercise Price in respect of Options granted shall be determined by the committee and shall not be less than the face value of one equity share of the Company (₹10 per Share)
Vesting Commences on	27 th March 2012	14 th Feb 2013
Options outstanding at the beginning of the year		
- Vested	Nil	Nil
- Yet to Vest	13,280,000	Nil
Options Vested	3,909,000	Nil
Options Granted	Nil	2,055,000
Options Exercised	Nil	Nil
Options Forfeited/Lapsed	250,000	Nil
Options outstanding at the end of the year		
- Vested	3,909,000	Nil
- Yet to Vest	9,121,000	2,055,000

Deferred Stock Compensation Expense

As the exercise price has been fixed at fair value as on date of grant, there is no compensation cost which needs to be amortized over the vesting period of the stock option.

Fair Value Methodology

The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.

The key assumptions used in the Black-Scholes model for calculating the fair value as on the date of the grants are:

Particulars	Grant I	Grant II
Vesting Date	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%
Risk-Free Interest Rate (Average)	7.79%	8.27%
Expected Life (Years)	2.50 years	2.50 years
Expected volatility of Share Price (%)	Since the company is unlisted, zero volatility has been considered	29.07%
Dividend Yield (%)	The company has not declared dividend, hence dividend has not been considered	The company has not declared dividend, hence dividend has not been considered
Price of the underlying share at the time of option	₹ 10 each	₹ 8.75 each
Fair Value of the Option	₹ 2.36 each	₹ 3.22 each



Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value approach, the company's net profit and earnings per share would have been as per the pro forma amounts indicated below:

Impact on Net Profit

Particulars	₹ In Lakhs
Net Loss (As reported)	(4,176.64)
Add: Stock based employee compensation expense included in net profit	Nil
Less: Stock based compensation expense determined under fair value based method (Proforma)	(186.04)
Net Loss (Proforma)	(4,362.68)

Impact on Earnings Per Share

Particulars	₹ per share
Basic Earnings per Share of ₹ 10 each (As reported)	(0.28)
Basic Earnings per Share of ₹ 10 each (Proforma)	(0.29)
Diluted Earnings per Share of ₹ 10 each (As reported)	(0.28)
Diluted Earnings per Share of ₹ 10 each (Proforma)	(0.29)

36. The Group has a defined benefit gratuity plan and the details of actuarial valuation as on March 31, 2012 are given below:

Particulars	For the year ended March 31, 2012 ₹ In Lakhs	For the year ended March 31, 2011 ₹ In Lakhs
Net Employee benefit expenses (recognized in Employee cost)		
Current Service Cost	70.23	38.11
Interest cost on benefit obligation	12.80	5.13
Benefits Settled	(9.59)	-
Expected Return on plan assets	(1.46)	-
Net actuarial (Gain)/Loss recognized in the period	(25.71)	7.06
Net benefit expenses	46.27	50.30
Amounts recognized in Balance Sheet		
Defined benefit obligation	194.69	106.97
Fair Value of Plan assets	(21.82)	-
Unrecognized past service Cost Non Vested benefit	(0.06)	-
Unrecognized(Asset)/ Liability *	172.81	106.97
Change in the present value of the defined benefit obligation are as follows		
Obligation at period beginning	146.96	70.89
Current service cost	70.23	38.11
Interest on defined Obligation	12.80	5.13
Benefits paid	(9.59)	(14.22)
Actuarial (Gain)/ Losses on obligation	(25.71)	7.06
Closing defined benefit obligation	-	-
Obligation at period end *	194.69	106.97
Discount Rate (%)	7%-8.65%	7%-8.10%
Salary escalation rate	5%-10%	5%-8%

*Includes Proportionate share of Joint Venture ₹ 6.74 Lakhs (Previous year – ₹ 2.56 Lakhs)

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors. The disclosure requirement with regard to composition of Investments in the Fair Value of Plan assets has not been furnished, since the liability is not funded. Disclosure relating to experience adjustments had not been provided in the absence of relevant information.

37. SEGMENTAL REPORTING

a) Business Segments

The business segment has been considered as a primary segment for disclosure. The products included in each of the business segments are as follows:

Consumer Products – Branding, Selling & Distribution

Investment – Acquisition and holding of Investments

The above segments have been identified taking into account the nature of business, reporting system, organization structure and different risks and returns.

Business Segments

(₹ In Lakhs)

	Particulars	Consumer Products (Branding, Selling & Distribution)		Investment		Eliminations		Total	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
A	SEGMENT REVENUE								
1	External Revenue	81,772.90	53,986.67	4,268.20	939.45	-	-	86,041.10	54,926.12
2	Inter-Segment Revenue	226.64	200.61	1,239.79	174.00	(1,466.43)	(374.61)	-	-
	TOTAL SEGMENT REVENUE	81,999.54	54,187.28	5,507.99	1,113.45	(1,466.43)	(374.61)	86,041.10	54,926.12
B	RESULTS								
3	Segment Results	(931.29)	(811.49)	996.44	(19.40)	-	-	65.15	(830.89)
	Inter-Segment Revenue	4.72	-	1,235.08	174.00	(1,239.79)	(174.00)	-	-
	TOTAL SEGMENT RESULTS	(926.57)	(811.49)	2,231.52	154.60	(1,239.79)	(174.00)	65.15	(830.89)
4	Interest and Finance Charges					(1,239.79)	(174.00)	(2,400.89)	(2,388.38)
5	Exceptional Items							(3,322.77)	(448.03)
6	Income Taxes							(880.21)	(273.67)
7	Net Profit/(Loss) after Taxes							(6,538.72)	(3,940.97)
8	Share of Profit/(Loss) of Associates							1,082.35	383.16
9	Minority Interest in Net Income/(Loss)							1,182.51	861.86
10	Adjustment on Acquisition of Subsidiaries							97.22	(55.97)
11	Net Profit/(Loss) after Share of Associates and Minority Interest							(4,176.64)	(2,751.92)
C	SEGMENT ASSETS	106,221.34	89,243.48	74,200.48	20,212.26	(5,982.56)	(2,754.11)	174,439.26	106,701.63
	Unallocated Assets							677.27	565.94
	Proportionate Share in Joint Venture							7,994.63	2,479.36
	TOTAL ASSETS	106,221.34	89,243.48	74,200.48	20,212.26	(5,982.56)	(2,754.11)	183,111.16	109,746.93
D	SEGMENT LIABILITIES	37,708.95	32,678.88	263.85	648.15	(8,482.59)	(1,579.09)	29,490.21	31,747.94
	Unallocated Liabilities							3,794.64	3,465.75
	Proportionate Share in Joint Venture							6,072.56	1,845.05
	TOTAL LIABILITIES	37,708.95	32,678.88	263.85	648.15	(8,482.59)	(1,579.09)	39,357.41	37,058.74
E	CAPITAL EXPENDITURE	1,328.14	16,235.68	1.08	2.36	-	-	1,329.22	16,238.04
	Proportionate Share in Joint Venture							771.33	318.64
F	DEPRECIATION	2,131.98	2,437.70	3.96	5.90	-	-	2,135.94	2,443.59
	Proportionate Share in Joint Venture							165.37	89.75
G	Non Cash Expenses Other than Depreciation	-	-	-	-	-	-	-	-



b) Geographical Segment

The entire operations of the group are carried out in India. However the subsidiary companies Indus League Clothing Limited and Indus Tree Crafts Private Limited and Joint Venture Company Clarks Future Footwear Limited have done business outside India as well. The disclosure relating to geographical segment is given below

(₹ In Lakhs)

Particulars	2011-12		
	Domestic	Export	Total
Revenue	85,923.16 (54,873.17)	117.94 (52.95)	86,041.10 (54,926.12)
Assets	183,071.85 (109,742.58)	39.31 (4.35)	183,111.16 (109,746.93)
Capital Expenditure	2,100.56 (16,556.68)	- -	2,100.56 (16,556.68)

Figures in bracket represent previous year figures

38. RELATED PARTIES DISCLOSURES

a) Names of Related Parties & Nature of Related Parties Relationship

(As identified by the management and relied upon by the auditors)

Particulars	March 31,2012	March 31,2011
i. Associates	And Design India Limited Capital Foods Exportts Pvt. Ltd. Capital Foods Limited (Subsidiary of Capital Foods Exportts Pvt. Ltd.) Integrated Food Park Pvt. Ltd. (Subsidiary of Capital Foods Limited) Turtle Limited (Associate of Indus League Clothing Limited) BIBA Apparels Pvt. Ltd. Karadi Path Education Company Pvt. Ltd. (Associate of Amar Chitra Katha Pvt. Ltd. with effect from February 14,2012)	And Designs India Limited Capital Foods Exportts Pvt. Ltd. Capital Food Limited (Subsidiary of Capital Foods Exportts Pvt. Ltd.) Turtle Limited (Associate of Indus League Clothing Limited) BIBA Apparels Pvt. Ltd. (With effect from March 14, 2011) Amar Chitra Katha Pvt. Ltd. (With effect from March19,2011) Integrated Food Park Pvt. Ltd. (Subsidiary of Capital Foods Limited)
ii. Joint Ventures	Holii Accessories Pvt. Ltd. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited) Clarks Future Foot Wear Limited (With effect from June 29, 2011)	Holii Accessories Pvt Ltd Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited)
iii. Enterprises over which key management personnel can exercise control/ significant influence	Akar Estate & Finance Pvt. Ltd. Anchor Mall Pvt. Ltd. Apollo Design Apparel Parks Limited Bansi Mall Management Co. Pvt. Ltd. ESES Commercial Pvt. Ltd. FSC Brand Distribution Services Limited Future Agrovat Limited Future Brands Limited Future Corporate Resources Limited Future E Commerce Infrastructure Limited	Pantaloon Retail (India) Limited Future Capital Holdings Limited Future Capital Investment Pvt. Ltd. PIL Industries Limited (Formerly known as Pantaloon Industries Limited) Future Corporate Resources Limited Future Ideas Realtors India Limited Future Ideas Company Limited Future Value Retail Limited Home Solutions Retail (India) Limited

Particulars	March 31,2012	March 31,2011
	Future Finance Limited Future Generali India Insurance Company Limited Future Generali India Life Insurance Company Limited Future Human Development Limited Future Ideas Company Limited Future Ideas Realtors India Limited Future Knowledge Services Limited Future Media (India) Limited Future Outdoor Media Solutions Limited Future Supply Chain Solutions Limited Future Value Retail Limited Futurebazaar India Limited Goldmohur Design and Apparel Park Limited Future Capital Holdings Limited Home Solutions Retail (India) Limited Ishkrupa Mall Management Co. Pvt. Ltd. Manz Retail Pvt. Ltd. Nufuture Digital (India) Limited Pantaloon Retail (India) Limited PIL Industries Limited PRTL Enterprises Limited Splendor Fitness Pvt. Ltd. (Formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) Staples Future Office Product Pvt. Ltd. Suhani Trading & Consultants Pvt. Ltd. Future Ventures Employee Welfare Trust	Future Agrovat Limited Winner Sports Limited Future Capital Financial Services Limited Future Finance Limited Kshitij Investment Advisory Company Limited Splendor Fitness Pvt. Ltd. (Formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) Future Realtors (India) Pvt. Ltd. Iskrupa Mall Management Company Pvt. Ltd. Anchor Malls Pvt. Ltd. Future Brands Limited Bansi Mall Management Co. Pvt. Ltd. Future Outdoor Media Solutions Limited
iv. Key Management Personnel	Kishore Biyani Managing Director	Kishore Biyani Managing Director



b) Transactions with Related Parties

(₹ in Lakhs)

Particulars	Associates	Joint Ventures	Enterprise over which key management personnel can exercise control/ significant influence	Key managerial Personnel
Purchase of Investments (Equity Shares)	3,500.00 (1,801.98)	100.00 (100.00)	2,325.00 (12,005.00)	- -
Purchase of Investments (Optionally Convertible Debentures)	2,500.00 -	- -	- -	- -
Sale of Investment	- -	- -	- (300.00)	- -
Issue of Equity Shares	- -	- -	- (25,000.00)	- -
Loan Taken	- -	1,350.00 (62.50)	- (2,350.00)	- -
Loan Repaid	- -	350.00 (62.50)	2,576.27 (2,100.00)	- -
ICDs Given	29,924.00 (900.00)	2,800.00 (475.00)	32,527.00 (13,711.60)	- -
ICDs Received Back	24,721.00 (800.00)	2,700.00 (475.00)	22,416.60 (17,795.00)	- -
Loans and Advances Given	- -	- -	1,621.00 -	- -
Loans and Advances received back	- -	- -	661.00 -	- -
Purchase of Fixed Asset	- -	- -	14.45 (15,371.66)	- -
Sale of Asset	- -	- -	- (266.64)	- -
Sales	- -	- (110.65)	55,791.93 (20,780.63)	- -
Interest Income	641.05 (8.03)	14.65 (15.49)	1,026.30 (748.17)	- -
Royalty Income	- -	- -	175.00 (320.85)	- -
Rent Received	- -	29.02 (23.68)	16.20 (72.00)	- -
Purchases	17.42 -	- (66.48)	5,595.27 (1,944.83)	- -
Interest Expenses	- -	6.59 (2.27)	10.43 (288.13)	- -
Royalty Expenses	- -	- -	594.23 (380.67)	- -
Rent Paid	- -	13.16 (12.87)	57.42 (38.22)	- -
Mentoring & Advisory Fees	- -	- -	1,500.00 (132.36)	- -
Fees for Other Services	- -	- -	241.67 -	- -

(₹ in Lakhs)

Particulars	Associates	Joint Ventures	Enterprise over which key management personnel can exercise control/ significant influence	Key managerial Personnel
Warehousing and Direct Expenses	-	-	968.54	-
	-	-	-	-
Other Expenses	8.08	0.09	34.58	-
	-	(0.40)	(225.32)	-
Marketing & Advertisement Expenses	-	-	1,208.10	-
	-	-	(170.50)	-
Managerial Remuneration	-	-	-	17.92
	-	-	-	-
Advance towards Expenses	-	-	0.11	-
	-	-	-	-
Trade Advances Given & Settled	-	-	-	-
	-	-	(1,350.00)	-
Advance for Purchase of Shares	-	-	-	-
	(10.00)	-	-	-
Refund of Share Application Money by Subsidiary	-	-	141.30	-
	-	-	(228.08)	-
ICDs Receivable	5,618.00	100.00	15,337.00	-
	(100.00)	-	(5,191.60)	-
Interest Receivable	74.81	0.31	120.60	-
	(0.62)	-	(35.69)	-
Receivables	0.94	6.64	15,220.52	-
	-	(0.06)	(16,643.06)	-
Payables	11.21	13.47	837.09	-
	(0.50)	(14.33)	(1,331.72)	-
Loans Outstanding	-	1,000.00	-	-
	-	-	(2,145.50)	-
Loan Given Outstanding	-	-	960.00	-
	-	-	-	-

c) Disclosure in respect of Material Transactions with Related Party

(₹ In Lakhs)

Particulars	March 31, 2012	March 31, 2011
Purchase of Investments Equity		
Pantaloon Retail India Limited	2,325.00	2,000.00
Capital Foods Exportts Pvt. Ltd.	3,500.00	-
Amar Chitra Katha Pvt. Ltd.	NA	1,502.06
Future Realtors India Pvt. Ltd.	-	2,753.00
Future Corporate Resources Limited	-	3,932.85
Pantaloon Industries Limited	-	2,287.11
Purchase of Investments		
Optionally Convertible Debentures		
Capital Foods Exportts Pvt. Ltd.	2,500.00	-



(₹ In Lakhs)

Particulars	March 31, 2012	March 31, 2011
Sales of Investments		
Future Realtors (India) Pvt. Ltd.	-	300.00
Issue of Equity Shares		
Pantaloon Retail India Limited	-	15,000.00
Future Capital Investment Pvt. Ltd.	-	10,000.00
Loan Taken		
Celio Future Fashion Limited	1,350.00	-
Pantaloon Retail (India) Limited	-	450.00
Future Capital Holdings Limited	-	1,900.00
Loan Repayment		
Pantaloon Retail (India) Limited	450.00	-
Celio Future Fashion Limited	350.00	-
Future Capital Holdings Limited	2,076.27	1,900.00
ICDs Given		
Capital Foods Exportts Pvt. Ltd.	9,110.00	NA
Splendor Fitness Pvt. Ltd.	NA	2,250.00
Iskrupa Mall Management Company Pvt. Ltd.	NA	2,025.00
Bansi Mall Management Co. Pvt. Ltd.	NA	4,025.00
Future Ideas Company Limited	NA	2,090.00
ICDs Received Back		
And Design India Limited	5,250.00	NA
Capital Foods Exportts Pvt. Ltd.	8,245.00	NA
Splendor Fitness Pvt. Ltd.	NA	2,250.00
Iskrupa Mall Management Company Pvt. Ltd.	NA	4,050.00
Bansi Mall Management Co. Pvt. Ltd.	NA	4,200.00
Loans and Advances Given		
Future Ventures Employee Welfare Trust	1,621.00	-
Loans and Advances received back		
Future Ventures Employee Welfare Trust	661.00	-
Purchase of Assets		
Staples Future Office Product Pvt. Ltd.	8.47	-
Future Value Retail Limited	5.41	15,378.23
Sale of Assets		
Future Value Retail Limited	-	246.49
Sales		
Future Value Retail Limited	21,567.33	13,006.44
Pantaloon Retail (India) Limited	34,223.67	7,617.48
Interest Income		
Future Ideas Company Limited	196.79	NA
Home Solutions Retail (India) Limited	NA	79.62
Future Agroviet Limited	NA	79.40
Iskrupa Mall Management Company Pvt. Ltd.	NA	176.98
Bansi Mall Management Co. Pvt. Ltd.	NA	208.15

(₹ In Lakhs)

Particulars	March 31, 2012	March 31, 2011
Royalty Income		
Pantaloon Retail (India) Limited	87.50	48.26
Future Value Retail Limited	87.50	65.15
Future Brands Limited	-	207.45
Rent Received		
Future Agroviet Limited	16.20	-
Celio Future Fashion Limited	29.02	23.68
Future Value Retail Limited	-	72.00
Purchases		
Future Value Retail Limited	811.56	621.85
Future Agroviet Limited	1,539.62	1,052.48
PIL Industries Limited	2,431.68	1,913.50
Interest Expenses		
Pantaloon Retail (India) Limited	10.36	53.24
Celio Future Fashion Limited	6.40	-
Future Capital Holdings Limited	22.84	234.90
Royalty Expenses		
Future Ideas Company Limited	137.88	110.30
Future Brands Limited	456.36	205.22
Future Value Retail Limited	-	65.15
Rent Paid		
Future Supply Chain Solutions Limited	13.08	-
Future Value Retail Limited	17.45	-
Celio Future Fashion Limited	13.16	12.87
Pantaloon Retail (India) Limited	13.50	9.35
Future Agroviet Limited	8.40	-
Kshitij Investment Advisory Company Limited	-	10.29
Pantaloon Industries Limited	-	14.84
Mentoring and Advisory Fees		
Future Corporate Resources Limited	360.00	132.36
Pantaloon Retail (India) Limited	1,140.00	-
Fees for Other Services		
Pantaloon Retail (India) Limited	241.67	-
Warehousing and Direct Expenses		
Future Supply Chain Solutions Limited	968.54	-
Other Expenses		
Future Generalii India Life Insurance Company Limited	19.24	-
Integrated Food Park Pvt Ltd.	7.95	-
Future Knowledge Services Limited	4.44	-
Future Supply Chain Solutions Limited	4.47	45.74
Pantaloon Retail India Limited	-	145.87



(₹ In Lakhs)

Particulars	March 31, 2012	March 31, 2011
Marketing and Advertisement Expenses		
Future Corporate Resources Limited	1,003.49	89.03
Future Media (India) Limited	141.59	81.47
Managerial Remuneration		
Mr.Kishore Biyani	17.92	-
Advance towards Expenses		
Future Generali India Life Insurance Company Limited	0.11	-
Trade Advance Given and Settled		
Future Corporate Resources Limited	-	1,350.00
Advance for Purchase of Shares		
BIBA Apparels Pvt. Ltd.	-	10.00
Refund of Share Application Money		
Pantaloon Retail (India) Limited	141.30	228.08
ICD Receivable		
Bansi Mall Management Co. Pvt. Ltd.	NA	1,925.00
Future Ideas Company Limited	NA	2,090.00
Interest Receivable		
Anchor Mall Pvt. Ltd.	18.86	-
ESES Commercial Pvt Ltd.	24.32	-
Integrated Food Park Pvt. Ltd.	58.47	NA
Manz Retail Pvt. Ltd.	22.96	-
Splendor Fitness Pvt. Ltd.	-	5.16
(Formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.)	-	-
Future Ideas Company Limited	NA	23.19
Receivables		
Future Value Retail Limited	1,877.00	2,662.28
Pantaloon Retail (India) Limited	13,329.62	13,946.09
Loans Given Outstanding		
Future Ventures Employee Welfare Trust	960.00	-
Payables		
Apollo Design Apparel Parks Limited	85.15	-
Goldmohur Design and Apparel Park Limited	84.44	-
Future Brands Limited	182.96	190.70
Future Corporate Resources Limited	112.51	144.31
Future Supply Chain Solutions Limited	162.07	NA
Pantaloon Retail (India) Limited	NA	815.85
Loans Outstanding		
Celio Future Fashion Limited	1,000.00	-
Future Capital Holdings Limited	-	2,076.27

39. DISCLOSURE RELATING TO LEASES

Operating Lease

The Subsidiary's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. With respect to the Joint Ventures, these are generally not non-cancellable and are renewable either by mutual consent on mutually agreed terms or at the option of the lessee.

Lease Expenses - Operating Lease

Particulars	March 31, 2012 ₹ In Lakhs	March 31, 2011 ₹ In Lakhs
Lease payments for the year	278.44	360.03
Minimum Lease Payments		
Not later than one year	83.86	176.33
Later than one year but not later than five years	112.10	156.70
Later than five years	-	3.68

Finance Lease

The leasing agreement is towards machinery taken on lease by a subsidiary

Lease Expenses - Finance Lease

Particulars	March 31, 2012 ₹ In Lakhs	March 31, 2011 ₹ In Lakhs
Lease payments for the year	11.35	15.14
Minimum Lease Payments		
Not later than one year	0.03	11.38
Later than one year but not later than five years	-	-
Later than five years	-	-

Lease Income

The leasing arrangement is towards machinery given on lease by a subsidiary

Particulars	March 31, 2012 ₹ In Lakhs	March 31, 2011 ₹ In Lakhs
Lease rentals received during the year	39.12	38.64
Minimum Lease Payments		
Not later than one year	9.75	38.95
Later than one year but not later than five years	-	9.75
Later than five years	-	-

40. EARNINGS PER SHARE

Numerator

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Denominator

Particulars	March 31, 2012	March 31, 2011
No. of equity shares at the beginning of the year	826,243,700	576,243,700
No. of equity shares at the end of the year	1,576,243,700	826,243,700
Weighted average number of shares outstanding during the year	1,506,571,569	758,161,508



The Company has issued employee stock options during the year which gives rise to potential equity shares. However, as per the terms of the stock option scheme, the exercise price is greater than the average fair value of the shares during the year. Therefore, these potential shares are considered to be anti-dilutive and accordingly, they are not considered in the computation of diluted earnings per share. Hence the basic and diluted earnings per share are the same.

41. DISCLOSURE RELATING TO ACCOUNTING STANDARD 29

Proportionate share in Joint Venture under “Provisions” includes provision for goods that are expected to be returned by other retailers based on sales made on “shop-in-shop” arrangements and provision for expected discounts to other retailers based on sales made on “shop-in-shop” arrangements.

(₹ In Lakhs)

Particulars	2011-12			2010-11		
	Sales Return	Discounts	Total	Sales Return	Discounts	Total
Opening Balance	86.50	71.25	157.75	32.50	23.50	56.00
Add:- Provision for the year	205.00	69.50	274.50	86.50	71.25	157.75
Less:- Utilization/Settlement	(86.50)	(71.25)	(157.75)	(32.50)	(23.50)	(56.00)
Closing Balance	205.00	69.50	274.50	86.50	71.25	157.75

42. Details of foreign currency payables that have not been hedged by a derivative instrument or otherwise are as under:

Currency	2011 - 12		2010 - 11	
	Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
Euro	4.36	283.84	2.69	168.09
Dollar	50.22	2,487.59	11.18	513.72

43. CONTINGENT LIABILITIES

Particulars	As at March 31, 2012 ₹ In Lakhs	As at March 31, 2011 ₹ In Lakhs
Bank Guarantee	3,903.80	8.78
Corporate Guarantee	1,400.00	700.00
Service tax on rent not Provided (Refer Note (ii))	0.88	163.85
Claims against the Company not acknowledged as Debt	41.18	-
Liability on account of Civil Cases, Consumer Cases and Labour Cases	16.00	64.80
Arbitration	41.14	-
Central Excise and Sales Tax Demand (Refer Note (iii))	51.13	490.70
Income Tax Demand(Refer Note (iii))	113.20	-
TOTAL	5,567.33	1,428.13

Notes:

- Includes proportionate share of Joint Ventures of ₹ Nil (Previous Year – ₹ 1.71 lakhs)
- In respect of previous year, based on Delhi High Court's interim stay order in respect of Service tax payable on renting of immovable property, the company has taken a stand of not to pay service tax on rent payable, pending Supreme Court decision.
- The management is of the opinion that the demand is arbitrary and the same is not sustainable.

44. Certain subsidiaries of the company have incurred losses resulting in erosion of their net worth. These companies are in the process of building respective businesses/brands and creating substantial value. The management is fully committed to lead them to profitability by providing the necessary financial support and mentoring. Therefore, in the opinion of the management, the diminutions in the value of the said investment are not other than temporary in the nature and consequently, no adjustment is considered necessary to the carrying value of Goodwill on Consolidation.
45. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

Kishore Biyani
Managing Director

G.N.Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head - Legal

Gopal Bihani
Vice President - Finance

Place : Mumbai
Date : 24th May 2012



Financial Information on Subsidiary companies for the year ended on 31st March ,2012

Name of Company	Share Capital	Reserves (Including Profit and Loss A/c Debit Balance)	Total Assets	Total Liability	Investments (Except Investment in Subsidiaries)	Total Income	Profit before Tax	Provision for Tax (Including Deferred Tax)	Profit after Tax	Proposed Dividend (Including Taxes)
Future Consumer Enterprises Limited	1005.00	13196.17	18272.02	18272.02	2500.43	10769.79	(641.17)	-	(641.17)	-
Future Consumer Products Limited	245.00	(165.69)	133.04	133.04	0.10	176.98	(0.50)	-	(0.50)	-
Indus Leauge Clothing Limited (ILCL)	3032.82	16696.44	42824.68	42824.68	7173.50	36952.77	443.47	68.00	375.47	-
Lee Cooper India Limited (Subsidiary of ILCL)	1000.00	(11.11)	3899.98	3899.98	0.58	15177.02	1097.22	383.27	713.95	19.06
Aadhar Retailing Limited	3200.00	(124.14)	6867.76	6867.76	-	9337.20	(2483.67)	(17.29)	(2466.37)	-
Indus Tree Craft Pvt.Ltd. (ICPL)	136.38	452.16	1314.21	1314.21	0.06	633.97	(197.59)	-	(197.59)	-
Indus Tree Producer Transform Pvt. Ltd. (Subsidiary of ICPL)	69.44	(325.98)	1249.21	1249.21	-	1063.05	(324.14)	-	(324.14)	-
Amar Chitra Katha Pvt.Ltd. (ACK)	3.88	6402.29	6806.72	6806.72	459.85	1552.06	(258.95)	-	(258.95)	-
IBH Books & Magazines Distributors Pvt. Ltd. (Subsidiary of ACK)	50.00	382.95	3713.65	3713.65	-	4875.72	(250.26)	-	(250.26)	-
ACK Media Direct Pvt.Ltd. (Subsidiary of ACK)	6.00	(248.19)	157.60	157.60	-	207.78	(156.26)	-	(156.26)	-
Ideas Box Entertainment Pvt.Ltd. (Subsidiary of ACK)	90.00	(189.84)	207.70	207.70	-	217.13	(84.10)	-	(84.10)	-
ACK Edutainment Pvt.Ltd. (Subsidiary of ACK)	14.00	(9.62)	4.50	4.50	-	-	(0.27)	-	(0.27)	-
ACK Eaglemoss Collectibles Publishing Pvt. Ltd. (Subsidiary of ACK)	1.00	(1.48)	1.04	1.04	-	-	(0.18)	-	(0.18)	-
Karadi Tales company Pvt. Ltd. (Subsidiary of ACK)	119.60	180.82	395.71	395.71	-	117.86	(77.74)	-	(77.74)	-

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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