

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **Future Ventures India Limited** will be held at Cultural Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai - 400 021 on Monday, 23rd September, 2013 at 10.30 a.m to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account, for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Harish, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jagdish Shenoy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants (Registration Number 117364W), as Statutory Auditors of the Company and to fix their remuneration, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number 117364W be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company in place of the retiring Statutory Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number 008072S, who have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Audit Committee be and is hereby authorised to fix the remuneration of the Statutory Auditors appointed herein.”

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. Frederic de Mevius who was appointed as an Additional Director of the Company by the Board of Directors, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a Member, proposing the candidature of Mr. Frederic de Mevius for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation.”

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. Krishan Kant Rathie who was appointed as an Additional Director of the Company by the Board of Directors, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a Member, proposing the candidature of Mr. Krishan Kant Rathie for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose term shall be liable to retire by rotation.”

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and that of the Articles of Association of the Company and subject to the approval of the Central Government and such other consents and permissions from any other regulatory authorities as may be necessary and also subject to conditions that may be imposed by any authority while granting such consents, permissions and approvals that may be agreed to by the Board of Directors of the Company (hereinafter referred to as **“Board”**, which term shall be deemed to include any duly empowered Committee thereof), consent of the Shareholders of the Company (**“Shareholders”**) be and is hereby accorded for appointment of Mr. Krishan Kant Rathie as Whole Time Director of the Company designated as an **“Executive Director and Chief Executive Officer”**, and payment of remuneration, for a period of three years with effect from 31st May, 2013, broadly on terms and conditions as mentioned hereunder and more particularly as per the agreement to be executed between the Company and Mr. Krishan Kant Rathie:

a) **Fixed Compensation:**

- i) Basic Salary: ₹ 8,00,000/- per month, aggregating to ₹ 96,00,000/- per annum.
- ii) Company's contribution to Provident Fund and Gratuity Fund aggregating to ₹ 16,13,760/- per annum.

b) **Flexible Compensation:**

Allowances and perquisites - In addition to the fixed compensation, Mr. Krishan Kant Rathie will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the rules of the Company, subject to maximum of ₹ 83,00,000/- per annum in aggregate and subject to the relevant provisions of the Companies Act, 1956.

- i) Adhoc Allowance/CCA
- ii) Car Allowance
- iii) Perquisite value of car
- iv) Leave Travel Allowance
- v) Fixed Annual Ex-Gratia
- vi) Medical Insurance
- vii) Payment/Reimbursement of Medical expenses
- viii) Life Security Plan –Premium
- ix) Such other perquisites, allowances and entitlements as per the policy /rules of the Company in force from time to time and that may be approved by the Nomination and Remuneration/ Compensation Committee ("Committee") / Board from time to time.

Explanation:

- a) For the leave travel assistance and reimbursement of medical and hospitalization expenses, 'family' means the spouse, dependent children and dependent parents
- b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per the applicable income tax rules.

RESOLVED FURTHER THAT in addition to the fixed and flexible compensation stated above, the Whole Time Director shall be entitled during his tenure, to:

- i) Annual increment of upto 20% of the total remuneration drawn during the previous year;
- ii) Yearly Performance Bonus not exceeding 50% of the total annual remuneration; and
- iii) Stock options under the employee benefit schemes.

subject however to evaluation by the Committee and as may be approved by the Board based on the performance of Company and that of the Whole Time Director.

RESOLVED FURTHER THAT in the event of there being no profits or inadequacy of profits in any financial year during the currency of tenure of the Whole Time Director, the amount of remuneration and perquisites fixed as aforesaid shall be the minimum remuneration and perquisites payable to him provided that the total remuneration by way of salary, perquisites shall not exceed the limits as approved by the Central Government in terms of the provisions of Section of 269 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to alter and vary the terms and conditions of appointment and / or remuneration payable subject to the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion consider necessary, expedient or desirable, and to settle any questions or doubts that may arise in relation thereto and to authorise one or more representatives of the Company to carry out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution and execute such further deeds, documents and writings that may be considered necessary and appropriate."

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and / or any other regulatory authorities, consent of the Shareholders of the Company be and is hereby accorded for changing the name of the Company from 'Future Ventures India Limited' to 'Future Consumer Enterprises Limited' or such other name as may be approved by the Registrar of Companies, Maharashtra, Mumbai and acceptable to the Board of Directors of the Company.

RESOLVED FURTHER THAT upon the change of name of the Company becoming effective, the name 'Future Ventures India Limited', wherever it appears in the Memorandum of Association and the Articles of Association, Books of Accounts, Statutory Records, Letterheads, name plates and all other places and records concerning the Company, be substituted with the new name of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include the Committee of Directors thereof) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion be deemed necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any

further consent or approval of the Shareholders of the Company and to authorise one or more representatives to carry out any of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

By Order of the Board of Directors

Manoj Gagvani

Company Secretary & Head-Legal

Place: Mumbai
Date: 30th May, 2013

Registered Office:

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

NOTES:

- a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the businesses set out in the Notice, wherever applicable, is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- c) Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.
- d) Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- e) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 20th September, 2013 to Monday, 23rd September, 2013 (both days inclusive).
- f) Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the Annual General Meeting.
- g) Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:
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
Email: rnt.helpdesk@linktime.co.in
- h) Members desirous of obtaining any information as regards Accounts are requested to write to the Company at least one week before the Annual General Meeting so that the information required will be made available at the Annual General Meeting.
- i) Documents in respect of items referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m. upto the date of Annual General Meeting.
- j) Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the Annual General Meeting.
- k) Information as required to be provided pursuant to the requirements of Clause 49 of the Listing Agreement with regards to the Directors seeking appointment and re-appointment at this Annual General Meeting is given as an Annexure to this Notice.

Important Communication to Members

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in Corporate Governance” allowing paperless compliances by companies through electronic mode. Pursuant to the same, we propose to send notices / documents including the Annual Report to the Members in electronic form to the email address provided by them and made available to us by the Depositories. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Link Intime India Private Limited, Registrar and Share Transfer Agents of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. Frederic de Mevius was appointed as an Additional Director of the Company by the Board of Directors with effect from 9th November, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 16.3 of the Articles of Association of the Company, Mr. Frederic de Mevius shall hold office only upto the date of this Annual General Meeting. In terms of the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice from a Member, signifying his intention to propose the appointment of Mr. Frederic de Mevius, as a Director of the Company.

Mr. Frederic de Mevius, aged 54, holds BA degree in Finance and Economics from the University of Louvain-la-Neuve. Mr. Frederic de Mevius founded Verlinvest and has been acting as its managing director since 1995. He is also chairman or non-executive director of several charitable and cultural non-profit associations in Belgium. Earlier, he had an investment banking career in London and New York. He was associated with Lehman Brothers in New York and London as an Executive Director and S.G. Warburg & Co Ltd in London, where he had held the position of Manager in the International Division.

Your Directors recommend the Resolution proposed at Item No. 5 of this Notice for your approval.

None of the Directors other than Mr. Frederic de Mevius are in any way concerned or interested in this Resolution.

ITEM NO. 6 and 7

The Board of Directors of the Company ("**Board**") have at their meeting held on 30th May, 2013 appointed Mr. Krishan Kant Rathi as an Additional Director of the Company, with effect from 31st May, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 16.3 of the Articles of Association of the Company, Mr. Krishan Kant Rathi shall hold office only upto the date of this Annual General Meeting. In terms of the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice from a Member, signifying his intention to propose the appointment of Mr. Krishan Kant Rathi, as a Director of the Company.

The Board on the basis of recommendation made by the Nomination and Remuneration/Compensation Committee of the Board of Directors of the Company ("**the Committee**") have at their meeting held on 30th May, 2013, subject to approval of the Central Government and that of the Shareholders of the Company, appointed Mr. Krishan Kant Rathi as Whole Time Director of the Company designated as an "Executive Director and Chief Executive Officer", for a period of three years with effect from 31st May, 2013.

Mr. Krishan Kant Rathi, aged 51, holds a bachelors degree in commerce and is a qualified chartered accountant and company secretary with approximately 26 years of professional experience. He has prior experience in corporate finance, strategic business planning and investment advisory, which has been acquired in reputed organisations such as KEC International Limited, H&R Johnson (India) Limited, Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) and Motilal Oswal Private Equity Advisors Private Limited. He has previously worked as Group CFO with Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance. Mr. Krishan Kant Rathi is also a director of various companies including Future Generali India Life Insurance Company Limited, Future Generali India Insurance Company Limited, Sprint Advisory Services Private Limited (formerly known as Sain Advisory Services Private Limited). He joined the Company in March 2010.

The Board had at the said meeting also approved payment of remuneration to Mr. Krishan Kant Rathi during his tenure as Whole Time Director of the Company on the terms and conditions as set out in Resolution at Item No. 7 of this Notice and more particularly as per the agreement to be executed between the Company and Mr. Krishan Kant Rathi.

The Whole Time Director shall not be paid any sitting fees for attending meetings of the Board/or any of its Committee(s).

The details relating to Mr. Krishan Kant Rathi, seeking appointment, pursuant to Clause 49 of the Listing Agreement is attached separately to this Notice.

The Agreement to be executed with Mr. Krishan Kant Rathi providing terms for appointment and payment of remuneration is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of Annual General Meeting.

The resolution at Item No. 7 of this Notice and explanatory statement hereto, may also be treated as an abstract pursuant to the provisions of Section 302 of the Companies Act, 1956, providing the terms of contract / agreement to be entered into by the Company and memorandum of concern or interest of Mr. Krishan Kant Rathi.

Your Directors recommend Resolution(s) proposed at Item No. 6 and Item No. 7 of this Notice for your approval.

Except, Mr. Krishan Kant Rathi, who may be deemed to be interested in the resolution set out in Item No.6 and Item No.7, none of the other Directors are in any way concerned or interested in the said resolution(s).

STATEMENT AS REQUIRED UNDER CLAUSE 4 OF PROVISIO TO PARAGRAPH 1(B) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956

I	GENERAL INFORMATION	
1	Nature of Industry	Consequent to the Scheme of Arrangement and Amalgamation becoming effective, the Company is 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 Prior to re-alignment of business pursuant to the Composite Scheme of Arrangement and Amalgamation, the Company was a non banking financial company engaged primarily in the business of making investments.

2.	Date or expected date of commencement of commercial production	Not Applicable			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company is an existing company.			
4.	Financial Performance based on given indicators	(₹ in lakhs.)			
		Particulars	2012-13	2011-12	2010-11
		Total Income	35,796.92	5,531.72	1,311.64
		Profit/(Loss) After Tax	(1,144.81)	(1,366.99)	(67.25)
		Equity Share Capital	95,878.60	1,57,624.37	82,624.37
		Reserves & Surplus	(1,617.26)	(1,187.95)	179.04
		Basic and Diluted Earnings Per Share	(0.07)	(0.09)	(0.01)
5.	Export performance and net foreign exchange collaborations	Nil (As on 31 st March, 2013)			
6.	Foreign investments or collaborations, if any	Nil. There are no foreign collaborators			
II	INFORMATION ABOUT THE APPOINTEE				
1.	Background details	Mr. Rath is a first class Commerce graduate, a rank-holder Chartered Accountant (Ranked 33rd) from the Institute of Chartered Accountants of India (1984) and Company Secretary from The Institute of Company Secretaries of India (1986). Mr. Rath brings more than 26 years of experience in senior positions at some of India's most respected business houses. He has prior experience in corporate finance, strategic business, planning and investment advisory, which he gained while in association with reputed organizations such as KEC International Limited, H&R Johnson (India) Limited, Future Retail Limited (Formerly Pantaloon Retail (India) Limited) and Motilal Oswal Private Equity Advisors Private Limited. Mr. Rath has previously worked as Group CFO with Future Retail Limited (Formerly Pantaloon Retail (India) Limited), where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance.			
2.	Past remuneration	Prior to appointment of Mr. Rath as a Whole Time Director of the Company, he was designated as the Chief Executive Officer of the Company and is being paid remuneration in terms of his appointment. There is no change in the remuneration proposed to be paid to Mr. Rath in terms of this appointment, except that the quantum of yearly increments and maximum bonus payable.			
3.	Recognition or awards	Mr. Rath is a rank-holder Chartered Accountant (Ranked 33 rd) from the Institute of Chartered Accountants of India (1984)			
4.	Job profile and his suitability	Mr. Rath has been associated with the Company since 2010. Prior to his appointment as Whole Time Director of the Company, he was designated as Chief Executive Officer of the Company. He has been instrumental in structuring investment portfolio of the Company in consumption – led sectors. He has also played an important role in consolidating the businesses in various segments such as Food, FMCG and Fashion. The Company had under guidance of Mr. Rath successfully completed initial public offering of ₹ 750 Crore. Being the Whole Time Director and CEO of the Company, Mr. Rath is responsible for overall business operations of the Company and investee companies.			
5.	Remuneration proposed	As mentioned in the text of the resolution set out in this Notice.			
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person, in case of expatriates the relevant details would be w.r.t the country of his origin.	Mr. Rath has been associated with the Company since 2010 and was the Chief Executive Officer prior to his appointment as Director of the Company. Considering the experience, knowledge and contributions of Mr. Rath, towards the business of the Company, the remuneration is considered to be in line with the industry levels and the segment into which the Company carries on its business.			
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Apart from his employment and holding 5,74,445 equity shares by himself together with relatives, Mr. Rath has no interest, direct or indirect, of pecuniary nature.			

III	OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	For the period ended 31 st March, 2013, the Company has been operating as an investment company, engaged in the business of making investments in consumption-led sector. It has been mentoring and promoting its business ventures engaged in the business of branded Food and Fashion products. Since some of its business ventures were in growth stage, they are expected to generate profits in due course. The Company's strategic investments have a long term horizon and hence profits and productivity were not directly measurable.
2.	Steps taken or proposed to be taken for improvement	Pursuant to the restructuring process undertaken in terms of Scheme of Arrangement and Amalgamation, the Company will now undertake the business of operating Food and FMCG outlets and distribution in Urban and Rural areas with its own branded products in addition to third party brands and products. With the new line of business activity gradually to be undertaken by the Company and in terms of the business plan, it is expected that the Company will show improved performance in the course of time.
3.	Expected increase in productivity and profits in measurable terms	Since this would be the first year of operation for the Company to undertake the business as an operating entity, there is no specific benchmark to measure the productivity / profits. The productivity and profits are expected to gradually increase to depict in measurable terms, over a period of time.
IV	DISCLOSURES	The details of remuneration package of Mr. Rathi is as set out in the accompanying Notice. The Company makes appropriate applicable disclosures in the Board of Directors' Report under the heading 'Corporate Governance' forming part of the Annual Report.

ITEM NO. 8

Pursuant to the Composite Scheme of Arrangement and Amalgamation for alignment of Food and Fashion Business, as approved by the Hon'ble High Court at Bombay vide order passed on 10th May, 2013, your Company will now primarily focus on opportunities in the business segments of (i) Food and FMCG, (ii) Food Processing, (iii) Rural Distribution and (iv) Edutainment.

In view of the same, the present name of the Company is proposed to be changed to reflect the new line of business to be undertaken by the Company. The Board of Directors of your Company have, subject to the approval of the Shareholders and subject to the approval of the Central Government and / or any other regulatory authorities, approved the change in name of the Company from 'Future Ventures India Limited' to 'Future Consumer Enterprises Limited' or any other name as may approved by the Registrar of Companies and acceptable to the Board of Directors.

As per the provisions of Section 21 of the Companies Act, 1956, approval of the Shareholders by way of a special resolution and also from the Central Government is required for change of name of the Company. The necessary application shall be made to the Central Government for proposed change of name of the Company. Upon receiving approval, necessary changes will be made in the Memorandum and Articles of Association of the Company.

A copy of (a) the existing Memorandum and Articles of Association of the Company, and (b) the Memorandum of Association and Articles of Association incorporating the proposed change in name of the Company will be available for inspection for the Shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to the date of Annual General Meeting.

Your Directors recommend the Resolution proposed at Item No. 8 of this Notice for your approval.

None of the Directors of the Company are in any way concerned or interested in the aforesaid Special Resolution except to the extent of the shares, if any, held by them in the Company.

By Order of the Board of Directors

Manoj Gagvani
Company Secretary & Head-Legal

Place: Mumbai
Date: 30th May, 2013

Registered Office:

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

Information pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchange(s), in respect of individuals proposed to be appointed / re-appointed as Directors.

Name of Director	Anil Harish	Jagdish Shenoy	Frederic de Mevius	Krishan Kant Rathi
Date of Birth	19.03.1954	12.10.1966	26.11.1958	30.12.1961
Date of Appointment	20.02.2008	10.08.2010	09.11.2012	31.05.2013
Qualifications	Bachelor's degree in arts (honours) and Bachelor's degree in law from University of Mumbai and Master's degree in Law from University of Miami, USA.	Bachelor of Commerce from the University of Mumbai and Chartered Accountant	BA degree in Finance and Economics from the University of Louvain-la-Neuve.	Bachelor of Commerce, Chartered Accountant, Company Secretary
Expertise in Specific Functional Area	He is a partner of D.M. Harish & Co., Advocates and specialises in corporate laws, income tax and property matters.	Over 20 years of experience in systems documentation, training, internal and operational audits and business advisory. He has been associated with RSM & Company, Chartered Accountants.	Investment and Private Equity	Approximately 26 years professional experience. He has prior experience in corporate finance, strategic business planning, and investment advisory, which was acquired in reputable organizations such as KEC International Limited, H&R Johnson (India) Limited, Future Retail Limited (formerly Pantaloon Retail India Limited) and Motilal Oswal Private Equity Advisors Private Limited. He has previously worked as Group CFO with Future Retail Limited where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance.
Directorships held in other companies (As on March 31, 2013)	1. Ador Welding Limited 2. Advani Hotels and Resorts (India) Limited 3. Ashok Leyland Limited 4. Hinduja Global Solutions Limited 5. Hinduja Ventures Limited 6. Hotel Leelaventure Limited 7. Hinduja Leyland Finance Limited 8. Mahindra Lifespace Developers Limited 9. Mukta Arts Limited 10. Oberoi Realty Limited 11. Future Retail Limited (Formerly Pantaloon Retail (India) Limited) 12. Unitech Limited 13. Valecha Engineering Limited 14. Astoria Maritime Private Limited 15. Cenmar Maritime Agencies (India) Private Limited	1. Arsha Advisory Services Private Limited 2. BRX India Private Limited 3. Aadhaar Wholesale Trading and Distribution Limited (Formerly Aadhaar Retailing Limited) 4. Indus-League Clothing Limited	Nil	1. Future Generali India Insurance Company Limited 2. Future Generali India Life Insurance Company Limited 3. Shendra Advisory Services Private Limited. 4. Sprint Advisory Services Private Limited. 5. AU Financiers (India) Limited 6. Aadhaar Wholesale Trading and Distribution Limited (Formerly Aadhaar Retailing Limited) 7. Turtle Limited 8. Celio Future Fashion Limited 9. Amar Chitra Katha Private Limited 10. Future Market Networks Limited 11. Indus-League Clothing Limited 12. Capital Foods Exportts Private Limited 13. Capital Foods Limited

Name of Director	Anil Harish	Jagdish Shenoy	Frederic de Mevius	Krishan Kant Rathi
	16. Freight Connection India Private Limited 17. Helpyourngo.com India Private Limited 18. Mordril Properties (India) Private Limited 19. Oasis Preprint Services Private Limited 20. Trans Atlantic Consultant Private Limited			14. Clarks Future Footwear Limited 15. Express Retail Services Private Limited 16. Integrated Food Park Private Limited
Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on March 31, 2013)	Hotel Leelaventure Limited • Audit Committee – Member Hinduja Ventures Limited • Audit Committee - Chairman Hinduja Global Solutions Limited • Audit Committee - Chairman Ador Welding Limited • Audit Committee - Chairman Ashok Leyland Limited • Audit Committee - Chairman Mahindra Lifespace Developers Limited • Audit Committee – Member Oberoi Realty Limited • Audit Committee – Member Unitech Limited • Audit Committee – Member Valecha Engineering Limited • Audit Committee – Member	Indus-League Clothing Limited • Audit Committee – Member Aadhaar Wholesale Trading and Distribution Limited • Audit Committee – Member	Nil	Future Generali India Life Insurance Company Limited • Audit Committee-Member • Share Transfer & Allotment Committee-Member Future Generali India Insurance Company Limited • Audit Committee-Member • Share Transfer & Allotment Committee-Member Clarks Future Footwear Limited • Audit Committee – Member Capital Foods Exportts Private Limited • Audit Committee – Member AU Financiers (India) Limited • Audit Committee – Chairman Future Market Networks Limited • Share Transfer Committee – Member
Shareholding of Directors	Nil	Nil	Nil	4,34,845 shares
Relationship between Directors inter-se	None	None	None	None

mentor.entrepreneurs



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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.

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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),

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REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

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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.

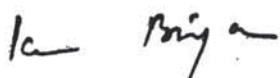
But brands without distribution is a cart without wheels.

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

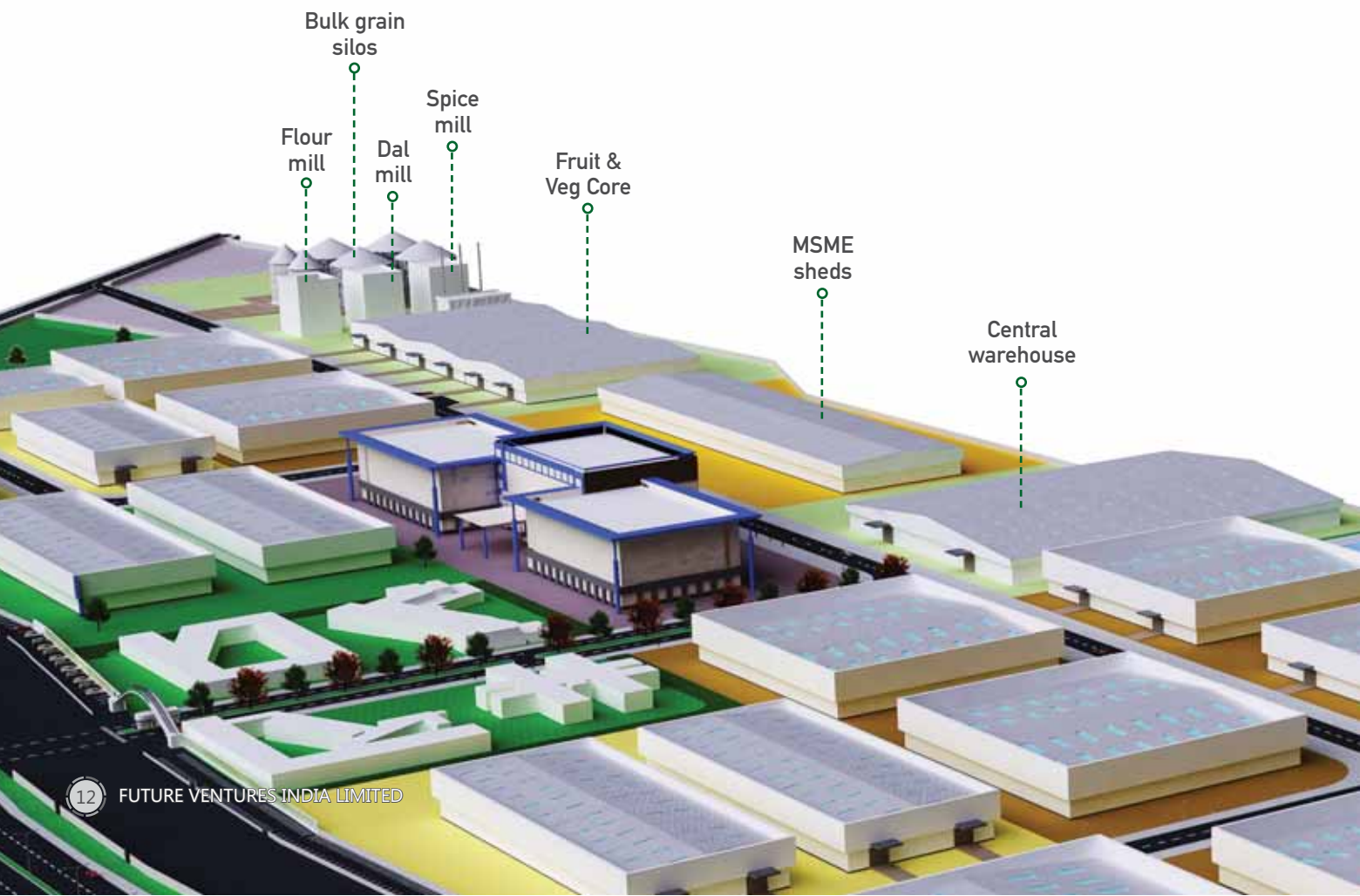
Store grains & spices:

- 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



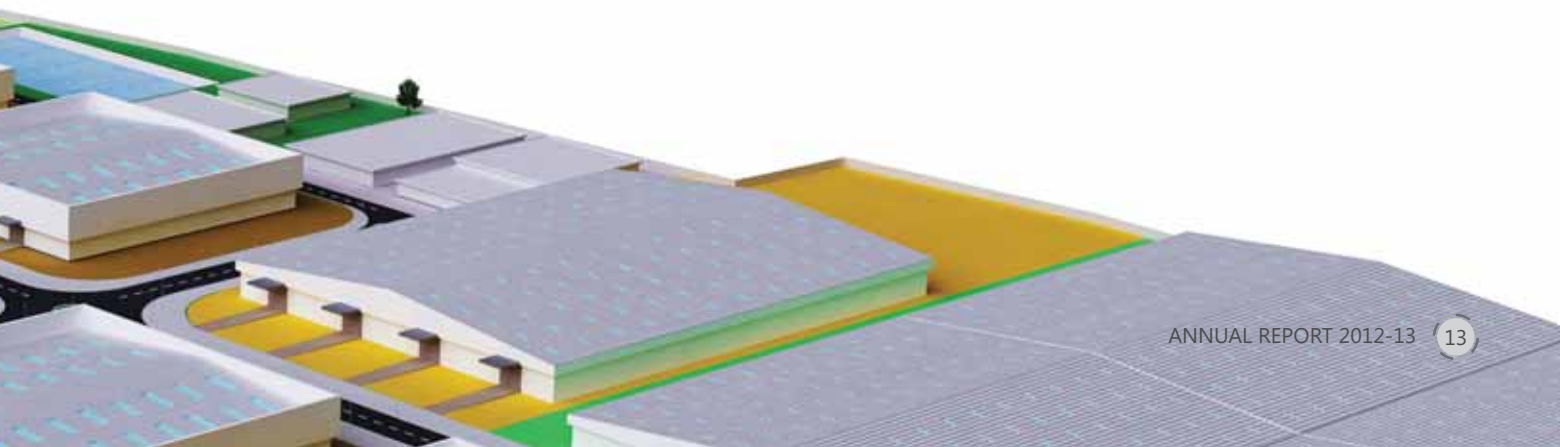
Increasing consumption, growing nutrition requirements, increased emphasis on food security and quality standards are changing the Indian landscape of food. Rationalisation and control of costs of production of food through innovation, processing and wastage-reduction are important measures for a wellmanaged 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 : 23rd September, 2013 at 10.30.a.m.
Venue : Cultural 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, 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 Annual Results

Date of Book Closure : 20th September, 2013 to 23rd 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 : INE220J01017
Number ("ISIN")

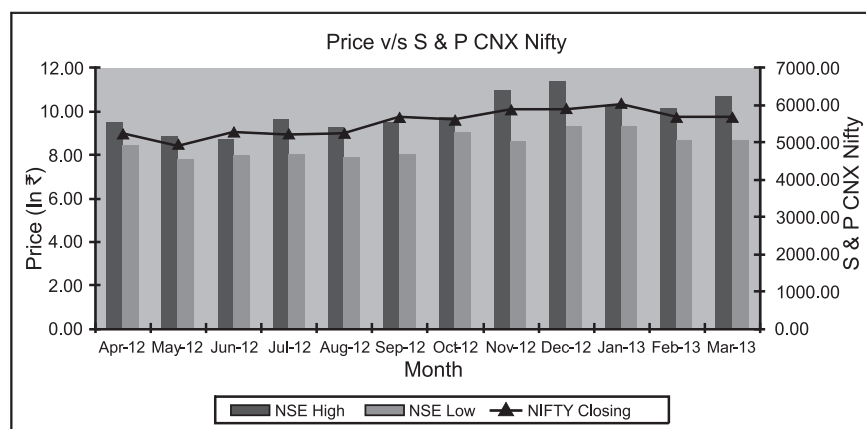
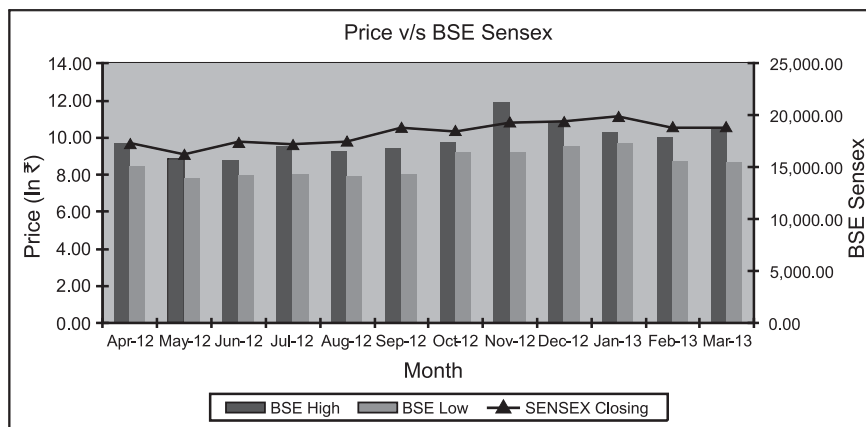
Listing Fees

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

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Company Secretary
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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

FORM A

1	Name of the Company	Future Ventures India Limited
2	Annual financial statements for the year ended - Standalone	31 st March 2013
3	Type of Audit observation	-
4	Frequency of observation	-

K. Biyani

Kishore Biyani
Managing Director

G.N. Bajpai

G.N. Bajpai
Audit Committee Chairman

Gopal Bihani

Gopal Bihani
Vice President - Finance

M. Ananthakrishnan

Auditor of the Company

Refer our Audit Report dated 30th May, 2013 on the Standalone Financial Statements of the Company

Place: Mumbai

Date: 30th May, 2013



AND

ANITA DONGRE
grassroots

BIBA

CAPITAL
FOODS

celio*
French fashion for men



DANIEL HECTER



holii
colour your life

INDIGO NATION



mother earth

Sach
BY SACHIN TENDOLKAR

SMITH & JONES
International Foods



TURTLE
VEGETARIAN & NON-VEGETARIAN

Future Ventures India Ltd.,

Regd. Office : Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai 400 060. Tel. : +91 22 3084 2200 / 3084 1300
Corporate Office : 247 Park, Tower "C", Above Home Town, LBS Marg, Vikhroli (W), Mumbai - 400 083. Tel. : +91 22 6119 0000

Website : www.futureventures.in

FORM A

1	Name of the Company	Future Ventures India Limited
2	Annual financial statements for the year ended - Consolidated	31 st March 2013
3	Type of Audit observation	-
4	Frequency of observation	-

K. Biyani

Kishore Biyani
Managing Director

G.N. Bajpai

G.N. Bajpai
Audit Committee Chairman

Gopal Bihani

Gopal Bihani
Vice President – Finance

M. Ananthakrishnan

Auditor of the Company

Refer our Audit Report dated 30th May, 2013 on the Consolidated Financial Statements of the Company

Place: Mumbai

Date: 30th May, 2013



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