

DIRECTORS' REPORT

To,
The Members
Future E-Commerce Infrastructure Limited

Your Directors are pleased to present the Third Annual Report of the Company for the financial year ended 31st March, 2010.

FINANCIALS HIGHLIGHTS

(Rs. in lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Net Sales	11,669.39	11,835.07
Other income	92.07	283.56
Total Income	11,761.46	12,118.63
Expenditure before depreciation	13,372.87	14,540.33
Depreciation	428.41	412.28
Total Expenditure	13,801.28	14,952.61
Net Loss	1,394.29	1,868.11
EPS	(5.91)	(7.91)

DIVIDEND

In view of loss, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSIT

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

DIRECTORS

Pursuant to the provisions of section 256 of the Companies Act, 1956, Mr. Sandeep Murthy retires at the ensuing annual general meeting and being eligible, offers himself for re-appointment.

Mr. Sanjay Rathi resigned w.e.f. 24th December, 2009. The Board places its appreciation on record for the valuable services rendered by him during his tenure.

Mr. Rakesh Biyani was appointed as an additional director of the Company w.e.f. 24 December 2009. He holds office as such till the date of ensuing annual general meeting. The Company has received a notice from a member pursuant to the provisions of section 257 of the Companies Act, 1956, proposing the candidature of Mr. Rakesh Biyani for the appointment as Director.

SUBSIDIARY STATUS

The Company is a subsidiary of Pantaloon Retail (India) Limited, the leading organized retailer in the country.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31st March, 2010;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

AUDITORS

M/s. S V Ghatalia & Associates, Chartered Accountants, Mumbai, Auditors of the Company retires at the ensuing Annual General Meeting and eligible for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made at the ensuing annual general meeting, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS REMARK

Auditors have remarked on the few procedural aspects, which are being explained hereunder:

- a. "Recognition of deferred expenses":- The management is confident that profit will emerge in the forthcoming years to offset losses of initial period.
- b. "Delay in payment of Statutory Dues":- All the statutory dues were paid together with applicable interests and penalty. The Company shall take necessary steps to prevent the delay in payment of statutory dues.

PARTICULARS OF EMPLOYEES

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

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

A	Conservation of Energy	:	None
B	Technology Absorption	:	Not applicable to the Company since the Company does not have / use any technology.
C	Technology Absorption, adaptation & innovation	:	Not applicable to the Company since the Company does not have / use any technology.
D.	Foreign Exchange Earnings & Outgo	:	
	Activities relating to export /Services	:	None

Initiative taken to increase exports : Not Applicable
Development of new Export markets for products and services : None
Export Plans : Not Applicable
Foreign Exchange Earned : Nil
Foreign Exchange Spent : 1.70 Cr. (P.Y.0.36 Cr)

Form A to the Annexure to the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 does not apply to the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors of
Future E-Commerce Infrastructure Limited

Sd/-
C. P. Toshniwal
Director

Sd/-
Rakesh Biyani
Director

Mumbai, 29th July 2010

Annexure-I

Details of the employees specified under The Companies (Particulars of employees) Rules, 1975

Particulars	Employee			
Name	Pankaj Tibrewal	Tushar Bhatkar	Robert Nelson	Prashanth Thiruvaipati
Designation of the employee	Head- Enterprise Planning & Business	Chief Technical Officer	General Manager	Vice President- Product Management
Remuneration received (Rs.)	24,97,195/-	38,08,217/-	25,28,561/-	2,80,251/-*
Nature of employment	Operational	Information Technology	Operational	Operational
Other Terms and conditions	Nil	Nil	Nil	Nil
Qualification of the employee	MBA	IIT - M Tech - Delhi	Diploma in Management Studies	MBA, MS , B.Tech
Experience of the employee	16 yrs	16 yrs	23 yrs	12 yrs
Date of commencement of employment	01-Mar-08	1-Nov-06	09-Jan-06	2-Mar-10
Date of leaving	N.A.	N.A.	N.A.	N.A.
Age of the employee	41 yrs	44 yrs	38 yrs	36 yrs
Last employment held by such employee	McKinsey & Co	Inter Solution	Times Internet Ltd	People Interactive
% of equity shares held by the employee	Nil	Nil	Nil	Nil

*Employed for the part of the financial year ended 31st March 2010 and were in receipt of emoluments not less than Rs.2,00,000/- per month.

Note:

1. The employees have adequate experience to discharge the responsibilities assigned to them
2. The nature of employment is contractual.
3. None of these employees is related to any director of the Company.

Auditors' Report

To

The Members of Future E-Commerce Infrastructure Limited

1. We have audited the attached Balance Sheet of Future E-Commerce Infrastructure Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is drawn to Note No.10 of schedule 18 regarding recognition of Deferred Tax Asset (net) of Rs.2,046.68 lacs (Previous Year Rs.1,401.15 lacs) based on the future profitability projections made by the management. In our opinion, such basis does not meet with the requirements of virtual certainty as envisaged in Accounting Standard 22 "Accounting for Taxes on Income". Had the Company not recognized the deferred tax asset, the loss for the year and the accumulated loss as at March 31, 2010, would have been higher by Rs.2,046.68 lacs (Previous Year Rs.1,401.15 lacs) and the deferred tax assets would have been lower by Rs.2,046.68 lacs (Previous Year Rs.1,401.15 lacs). In respect of the above item, the previous year's audit report was also similarly modified.*
5. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;



S.V. GHATALIA & ASSOCIATES

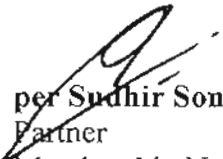
Chartered Accountants

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Audit report of Future E-Commerce Infrastructure Limited
For the year ended March 31, 2010

- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 *except as stated in paragraph 4 above.*
- v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. *Subject to the effect of the matter as described in paragraph 4 above,* in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

S. V. Ghatalia & Associates
For S. V. Ghatalia & Associates.
Firm Registration No. 103162W
Chartered Accountants


per Sudhir Soni
Partner

Membership No. 41870



Mumbai
July 29, 2010

**Annexure referred to in paragraph 3 of our report of even date
Re: Future E-Commerce Infrastructure Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) As informed, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause (iii) (b), (c), (d), (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. The Company does not sale any services due to the nature of its business.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts / transactions or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the



S. V. GHATALIA & ASSOCIATES

Chartered Accountants

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Audit report of Future E-Commerce Infrastructure Limited
For the year ended March 31, 2010

size and nature of its business.

- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including income-tax, sales-tax, wealth-tax, provident fund, service tax customs duty, excise duty and cess have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*. The provisions relating to investor education and protection fund and employees' state insurance are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues to debenture holders and financial institutions.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund /



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs in Lacs.)

PARTICULARS	Schedules	As at March 31, 2010	As at March 31, 2009
I SOURCE OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,512.69	4,512.68
Reserves and Surplus	2	3,690.78	3,690.78
Secured Loans	3	2.23	27.74
TOTAL		8,205.70	8,231.20
II APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	2,513.87	2,467.87
Less: Depreciation		833.17	420.50
Net Block		1,680.70	2,047.37
Capital Work in Progress (including Capital Advances)		1.19	-
		1,681.89	2,047.37
Deferred Tax Asset (Refer note no.10 to schedule 18)		2,046.68	1,401.15
Investment	5	-	1,600.00
Current Assets, Loans and Advances			
Inventories	6	22.82	332.28
Sundry Debtors	7	277.30	179.28
Cash and Bank Balances	8	124.92	342.91
Loans and Advances	9	1,183.92	1,309.24
		1,608.96	2,163.71
Less : Current Liabilities and Provisions			
Current Liabilities	10	1,343.52	1,799.72
Provisions	11	10.58	9.29
		1,354.10	1,809.01
Net Current Assets		254.86	354.70
Profit and Loss Account		4,222.27	2,827.98
TOTAL		8,205.70	8,231.20
Notes to Accounts	18		

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

As per our Report of even date

S.V. Ghatalia & Associates
For S.V. Ghatalia & Associates
Firm Registration No. 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870



For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

Rakesh Biyani
Director

C.P.Tosbniwal
Director

Place : Mumbai

Date : 29 JUL 2010



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs in Lacs)

PARTICULARS	Schedules	For the year ended March 31, 2010	For the year ended March 31, 2009
<u>INCOME</u>			
Sales and Other Operating Income	12	11,669.39	11,835.07
Other Income	13	92.07	283.56
		11,761.46	12,118.63
<u>EXPENDITURE</u>			
Cost of Goods Sold/Gift Voucher Sold	14	11,430.78	11,724.43
Personnel Cost	15	454.68	778.02
Operating and other expenses	16	1,485.22	2,033.80
Depreciation/Amortisation	4	428.41	412.29
Finance charges	17	2.19	4.07
		13,801.28	14,952.61
(Loss) before tax		(2,039.82)	(2,833.98)
Provision for Taxation			
Fringe Benefit Tax		-	9.18
Current Tax		-	-
Deferred Tax Charge/(Credit)		(645.53)	(975.05)
Net Loss after tax		(1,394.29)	(1,868.11)
Add : Balance brought forward from previous year		(2,827.98)	(959.87)
Deficit carried to Balance Sheet		(4,222.27)	(2,827.98)
Earnings Per Share (in Rs.) (Face value Rs.10) (Refer note no. 12 to schedule 18)		(5.91)	(7.91)
Notes to Accounts	18		

The Schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss account.

As per our Report of even date

S.V. Ghatalia & Associates
 For S.V. Ghatalia & Associates
 Firm Registration No. 103162W
 Chartered Accountants

per Sudhir Soni
 Partner

Membership No: 41870



For and on behalf of Board of Directors
 of Future E-commerce Infrastructure Limited

Rakesh Biyani
 Rakesh Biyani
 Director

C.P. Toshniwal
 C.P. Toshniwal
 Director

Place : Mumbai

Date : 29 JUL 2010



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
A. Cash Flow from Operating Activities	RS.	RS.
Net Profit before Tax and Extraordinary items.	(2,039.82)	(2,833.98)
Adjustments for :		
Depreciation	428.41	412.29
Loss on Sale of Fixed Assets	1.83	-
Provision for Doubtful Debts and Advances	8.25	14.06
Service tax receivable written off	173.32	-
Interest income	(45.42)	(257.87)
Dividend on Current Investments	(43.72)	(21.30)
Interest Expense & Finance Cost	2.19	4.07
Operating Profit before Working Capital changes	(1,514.96)	(2,682.73)
Movements in working capital :		
(Increase) / decrease in Inventories	309.46	(108.02)
(Increase) / decrease in Debtors	(106.27)	68.42
(Increase) / decrease in Loans and advances	452.00	163.12
Increase / (decrease) in Trade payables	(456.20)	262.97
Increase / (decrease) in Other provisions	1.29	(45.24)
Cash generated from operations	(1,314.68)	(2,341.48)
Fringe Benefit Tax paid	-	(9.18)
Net Cash from operating activities	(1,314.68)	(2,350.66)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets and change in C/WIP	(90.97)	(788.86)
Sale of Fixed Assets	26.22	-
(Purchase) / Sale of Mutual Funds	1,600.00	(1,600.00)
Dividend on Current Investments	43.72	21.30
Interest income	45.42	257.87
Fixed deposit with banks	(1.09)	(0.20)
Net Cash used in Investing Activities	1,623.30	(2,109.89)
C. Cash Flow from Financing Activities		
(Payments) / Availment of Hire Purchase funding	(25.51)	27.74
Inter Corporate Deposit (given)/repaid	(500.00)	4,058.00
Interest Paid	(2.19)	(4.07)
Net Cash from Financing Activities	(527.70)	4,081.67
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(219.08)	(378.88)
Cash and Cash Equivalents (Opening Balance)	336.58	715.46
Cash and Cash Equivalents (Closing Balance)	117.50	336.58
Components of Cash and Cash Equivalents	March 31, 2010	March 31, 2009
Cash on Hand	0.11	0.06
Balances with scheduled banks in current account	117.39	336.52
Total	117.50	336.58

Notes:

- Comparative figures are regrouped wherever necessary.
- The cashflow statement has been prepared under 'Indirect Method' as set out in Accounting Standard - 3 on cashflow statement issued under Companies (Accounting Standard) Rules, 2006.
- Figures in bracket represent cash outflow.

As per our Report of even date

S. V. Ghatalia & Associates
For S.V. Ghatalia & Associates
Firm Registration No. 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870



For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

Rakesh Biyani
Director

C.P. Toshniwal
Director



Place : Mumbai

Date : 29 JUL

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010

(Rs. in Lacs)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
<u>SCHEDULE 1 : SHARE CAPITAL</u>		
AUTHORISED:		
24,000,000 (Previous Year: 24,000,000) Equity Shares of Rs. 10/- each	2,400.00	2,400.00
21,518,460 (Previous Year: 21,518,460) Preference Share of Rs. 10/- each	2,151.85	2,151.85
	4,551.85	4,551.85
ISSUED, SUBSCRIBED AND PAID-UP:		
23,608,380 (Previous Year: 23,608,380) Equity Shares of Rs. 10/- each fully paid up	2,360.84	2,360.84
21,518,460 (Previous Year: 21,518,460) Non cummulative Convertible Preference Shares of Rs. 10/- each fully paid up (Convertible into Equity Shares in the ratio of 4:1 in July 2012 at the Option of Invetsors)	2,151.85	2,151.85
Of the above: 16,998,000 (Previous Year: 16,998,000) Equity Shares are held by Pantaloon Retail (India) Limited, the Holding company		
	4,512.69	4,512.69
<u>SCHEDULE 2 : RESERVES AND SURPLUS</u>		
Securities premium Account	3,690.78	3,690.78
	3,690.78	3,690.78
<u>SCHEDULE 3 : SECURED LOANS</u>		
Hire Purchase (Secured by vehicles taken on lease)	2.23	27.74
	2.23	27.74



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE 4: FIXED ASSETS

(Rs. In Lacs)

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As at April 01, 2009	Addition	Deductions / adjustments	As at March 31, 2010	As at April 01, 2009	For the year	Deductions / adjustments	As at Mar 31, 2010	As at Mar 31, 2009
Intangible									
Computers software and website	1,227.59	70.72	-	1,298.31	226.95	293.43	-	775.93	1,000.64
Tangible									
Air Conditioner	6.26	-	-	6.26	1.16	0.93	-	4.17	5.10
Office Equipment	29.88	-	2.66	27.22	14.83	2.98	1.50	10.91	15.05
Vehicles*	40.97	-	31.33	9.64	10.97	4.67	11.44	5.44	30.00
Computer Hardware	705.49	17.06	0.47	722.08	125.68	76.21	0.06	520.25	579.81
Leasehold improvement	132.70	2.00	8.44	126.26	32.37	18.27	2.73	78.35	100.33
Plant & Machinery	261.51	-	0.88	260.63	2.57	26.15	-	231.91	258.94
Furniture & Fixtures	63.47	-	-	63.47	5.96	3.77	-	53.74	57.51
Total Fixed Assets	2,467.87	89.78	43.78	2,513.87	420.49	428.41	15.73	1,680.70	2,047.38
Previous Year	1,679.01	788.86	-	2,467.87	8.21	412.29	-	2,047.37	-
Capital work in progress*									1.19

* Capital work in progress represents advances for capital expenditure Rs 1.19 lacs (Previous Year Rs. Nil)



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010

(Rs. in Lacs)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
<u>SCHEDULE 5 : INVESTMENT</u>		
Current Investment (At lower of cost and market value) (Refer note no. 11 to schedule 18)		
Non Trade (Quoted)		
Nil units (Previous Year: 5,922,049 units) in Birla Sun Life Saving Fund Institution-Growth	-	975.00
Nil units (Previous Year: 3,266,581 Units) in HDFC Cash Management Fund – Treasury Advantage Plan	-	625.00
	-	1,600.00
Market Value (NAV)	-	1,612.75
<u>SCHEDULE 6 : INVENTORY</u>		
<i>Valued at lower of cost and net realisable value</i>		
Traded goods	250.98	431.28
Less:- Provision for inventory	228.16	99.00
	22.82	332.28
<u>SCHEDULE 7 : SUNDRY DEBTORS (Unsecured)</u>		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	143.19	14.17
Unsecured, considered doubtful	22.31	14.06
Other debts		
Unsecured, considered good	134.11	165.11
	299.61	193.34
Less Provision for Doubtful Debts	22.31	14.06
	277.30	179.28



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010

(Rs in Lacs)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
<u>SCHEDULE 8: CASH AND BANK BALANCES</u>		
Cash on Hand	0.11	0.06
Balances with scheduled banks		
in current account	117.39	336.52
in fixed deposit account	7.42	6.33
	124.92	342.91
<u>SCHEDULE 9: LOANS AND ADVANCES</u>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or value to be received	529.20	979.83
Lease Deposit	0.10	15.10
Inter Corporate Deposits	500.00	-
Advance Tax Paid Including FBT (Net of Advance tax of Rs. Nil (Previous Year Rs. Nil)	92.41	92.01
VAT/Service Tax Receivable (Input Credit)	62.21	222.30
	1,183.92	1,309.24
<u>SCHEDULE 10 : CURRENT LIABILITIES</u>		
Sundry Creditors for goods and services (Other than micro, small and medium enterprises) (Refer note no. 9 to schedule 18)	750.22	1,471.16
- For Goods and services	747.68	1,452.30
- For Capital goods	2.54	18.86
Advances from customers	579.07	307.10
Other liabilities	14.23	21.46
	1,343.52	1,799.72
<u>SCHEDULE 11 : PROVISIONS</u>		
Provision for Leave Encashment	5.13	4.98
Provision for Gratuity (Refer note no. 6 to schedule 18)	5.45	4.31
	10.58	9.29



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
MARCH 31, 2010

(Rs in Lacs)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<u>SCHEDULE 12 : SALES AND OTHER OPERATING INCOME</u>		
Sales (Net of Discount) (Refer note no. 13 to schedule 18)	11,776.41	12,043.97
Less: Vat / Sales Tax	63.55	211.12
Sales (Net)	11,662.86	11,832.85
Other Operating Income	6.53	2.22
	11,669.39	11,835.07
<u>SCHEDULE 13 : OTHER INCOME</u>		
Interest		
On Inter Corporate Deposit (IDS Rs. Nil (Previous Year Rs. 39,47,869))	44.61	214.73
On Fixed Deposit (IDS Rs. 4,312 (Previous Year Rs. 8,64,659))	0.67	42.38
On Others	0.14	0.76
Dividend Received on Current Investment	43.72	21.30
Miscellaneous Income	2.93	4.39
	92.07	283.56
<u>SCHEDULE 14 : COST OF GOODS/ GIFT VOUCHERS SOLD</u>		
<u>Traded Goods</u>		
Opening Stock	431.28	251.76
Add: Purchase (Refer note no. 13 to schedule 18)	11,250.48	11,903.95
	11,681.76	12,155.71
Less: Closing Stock	750.98	431.28
	11,430.78	11,724.43
<u>SCHEDULE 15 : PERSONNEL EXPENSES</u>		
Salaries, Wages and Bonus	433.95	731.64
Company's contribution to provident and other funds (Refer note no. 6 to schedule 18)	11.16	18.93
Employee welfare expenses	5.00	24.99
Gratuity (Refer note no. 6 to schedule 18)	4.11	2.76
Leave Encashment	3.43	(0.30)
	454.68	778.02



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
 SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
 MARCH 31, 2010

(Rs in Lacs)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<u>SCHEDULE 16 : OPERATING AND OTHER EXPENDITURE</u>		
Printing and stationery	3.58	199.51
Auditors remuneration (refer note no. 7 to schedule 18)	6.00	5.52
Electricity charges	10.61	33.26
Legal and professional fees	137.63	237.11
Internet bandwidth charges	51.93	94.56
Rent (Note no.4 to schedule 18)	228.15	261.07
Repairs and maintenance - others	51.76	3.24
Books, periodicals and seminar		9.90
Consultant charges	120.85	291.94
Rates and taxes	0.22	3.48
Insurance premium	15.67	12.63
Carrier charges	48.73	258.09
Telephone charges	7.80	42.63
Travelling and conveyance	2.33	35.55
Provision for inventory written off	206.38	71.50
Provision for Doubtful Debts	8.25	14.06
Service tax receivable written off	173.32	
Business conducting charges	2.16	2.08
Advertising and sales promotion	68.07	150.16
Packaging material	10.59	40.64
Loss on Sale of Fixed Assets	1.83	
Miscellaneous expenses	29.36	66.60
	1,485.22	2,033.80
<u>SCHEDULE 17: FINANCE CHARGES</u>		
Bank charges	2.19	1.07
	2.19	4.07



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

SCHEDULE :18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010.

SIGNIFICANT ACCOUNTING POLICIES

1 Nature of Operations

The Company is in the business of facilitating online companies with its expertise in its operations and marketing activities. Future Ecommerce Infrastructure Limited ('FECIL' or 'the Company') is currently providing backend support to the Future Bazaar India Limited which is in retail trading internet business through its web site called www.futurebazaar.com. The Company operates on B2B (Business to Business) models where they sell its products to corporate customers.

2 Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of the contingent liabilities on the date of the financial statements and the results of operations during the reporting year end.

Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods Differences between the actual results and estimates is recognized in the period in which the results are known/ materialized.

c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and costs attributable to bring the asset to its location and working condition for its intended use.

d) Depreciation

Depreciation is provided on straight line method based on higher of their estimated useful lives and rates prescribed by Schedule XIV of the Companies Act, 1956 except employee related assets which are depreciated over three years and leasehold improvements, which are depreciated over the remaining term of the lease period. Items having value of Rs. 5,000 or below are fully written off in the year of acquisition itself. Depreciation is provided pro-rata to the period of use on all additions.



	Rates (SLM) (based on estimated useful life)	Schedule XIV Rates (SLM)
Air-conditioner	15%	4.75%
Office Equipment	13.91%	13.91%
Vehicles	23.75%	9.5%
Computers	16.21%	16.21%
Plant and Machinery	10%	4.75%

e) Intangible assets

Costs of developing the website of the Company are capitalized as an intangible asset and are amortized over their useful life, which is estimated to be approximately 5 years.

Cost of computer software acquired, is depreciated on Straight Line Method ('SLM') basis over its useful life, which is estimated to be around 5 years.

f) Impairment

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

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

g) Lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

In case of leases, where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

i) Inventories

Inventories of traded goods are valued at lower of cost and net realizable value. Cost includes purchase cost. Cost of inventories is determined based on moving weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the



j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and coincides with the delivery of the goods to the customer. Sales are recorded net of sales tax and value added tax.

Sale of Gift Vouchers:

Revenue in respect of sale of gift vouchers is recognised at the gross amount, when the said gift vouchers are activated and sold to the customers

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate/s applicable.

Dividends

Revenue is recognized when the right to receive payment is established by the balance sheet date.

k) Foreign Currency transactions

(i) Initial Recognition

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

(ii) Conversion

Foreign currency monetary items are reported using the closing rate.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as a part of fixed asset.

l) Retirement Benefits

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations.

Gratuity liability is a defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.



m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

n) Earnings per Share

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

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

o) Segment reporting

The Company is exclusively engaged in e-commerce activity which includes the business of retailing the goods to the consumers. The e-commerce business is considered to constitute one single primary segment in the context of Accounting Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India. There are no geographical reportable segments since the Company sells goods to the retail consumers in the Indian market only and does not distinguish any reportable regions within India.

p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past events; 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.

q) Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



3 Related Party disclosure

Related Party Disclosure:- Disclosure as required by the Accounting Standard 18 "Related Party Disclosure" are given below:

Relationships (Related Party relationships are as identified by the Company and relied upon by the Auditors)

- (i) Holding Company - Pantaloon Retail (India) Limited -(PRIL).
- (ii) Names of related parties where control exist irrespective of whether transactions have occurred or not (Fellow Subsidiaries)
- Home Solutions Retail (India) Limited-(‘HSRIL’)
 - Future Human Development Limited (erstwhile Home Solutions Services (India) Limited) (till June 29, 2009 –(‘FHDL’)
 - Pairs Retail India Limited (erstwhile Home Lighting India Limited. (‘PRL’)
 - Blue Foods Private Limited (‘BFPL’)
 - Future Supply Chain Solutions Limited .- (‘FSCSL’)
 - Future Brands Limited – (‘FBL’)
 - Future Agrovet Limited – (‘FAL’)
 - Axon Development Solutions Limited - (‘ADSL’)
 - Future Consumer Products Limited – (‘FCPL’)
 - Future Merchandising Limited – (‘FML’)
 - Future Consumer Enterprise Limited (‘FCEL’)
 - Future Residencies Limited (‘FRL’)
 - Galaxy Entertainment Corporation Limited – (‘GECL’)
 - Future Knowledge Services Limited – (‘FKSL’)
 - Future Media (India) Limited – (‘FMIL’)
 - Future Axiom Telecom Limited (Formerly Convergem Communication India limited) – (‘FATL’)
 - Future Generali India Insurance Company Limited (subsidiary till August 23, 2007) – (‘FGICL’)
 - Future Generali India Life Assurance Company Limited (subsidiary till August 23, 2007) – (‘FGIACL’)
 - Pan India Restaurants Limited – (‘PIRL’)
 - Pantaloon Food Product Limited – (PFPL)
 - Future Capital Holdings Limited. – (‘FCHL’)
 - Future Capital Financial Services Limited
 - Future Finance Limited – (‘FFL’)
 - Indivision Investment Advisors Limited. – (‘IAL’)
 - Kshitij Investment Advisory Company Limited – (‘KIACL’)
 - Myra Mall Management Company Limited – (‘MMMCL’)
 - Ambit Investment Advisory Company Limited – (‘AIACL’)
 - Futurebazaar India Limited - (‘FBIL’)
 - Future Mobiles & Accessories Limited – (‘FMAL’)
 - CIG Infrastructure Private Limited. – (‘CICIPL’)
 - Future Hospitality Management Limited – (‘FHML’)
 - Future Consumer Products Limited – (‘FCPL’)
 - Future Value retail Limited - (‘FVRL’)
 - Future Mall Management Limited – (‘FMML’)
 - Future Speciality Retail Limited -- (‘FSRL’)
 - Pantaloon Future Ventures Limited – (‘PFVL’)
 - Whole Wealth Limited – (‘WWL’)
 - Kshitij Property Solutions Private Limited – (‘KPSPL’).
 - FH Residencies Limited – (‘FHRL’)
 - Erudite Knowledge Services Limited – (‘EKSL’)



- Talwalkar Pantaloon Fitness Private Limited ('TPFPL')
- Future Capital Real Estate Private Limited ('FCREPL')
- Staples Future Office Products Private Limited ('SFOPPL')

(iii) Directors and Relatives

- Mr. C. P. Toshniwal
- Mr. Rakesh Biyani (From December 24, 2009)
- Mr. Atul Kapur
- Mr. Sandeep Murthy
- Mr. Sanjay Rathi (Till December 24, 2009)

- (iv) Key Management Personnel (KMP) - Mr. Pankaj Tibrewal (from: Nov 1, 2009 to Mar 31, 2010)
Mr. Shankerson Banerjee (from Apr 1, 2010 to Jul 15, 2009)



(Amt in Lacs)

Nature of Transactions	Amount with related party referred to in – above							
	Holding Company		Associates/Fellow Subsidiaries		Key Management Personnel		Consolidate Balance	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Sales and Operating Income	63.73	302.89	6,911.91	7,444.59	-	-	6,975.64	7,647.48
PRIL	63.73	302.89	-	-	-	-	63.73	302.89
FBIL	-	-	6,343.02	7,008.09	-	-	6,343.02	7,008.09
Others	-	-	568.89	336.50	-	-	568.89	336.50
Interest Received	44.61	40.51	-	174.68	-	-	44.61	215.19
PRIL	44.61	40.51	-	-	-	-	44.61	40.51
HSRIL	-	-	-	135.62	-	-	-	135.62
BEPI	-	-	-	39.06	-	-	-	39.06
Purchase of Materials	4,723.86	9,248.27	6,376.31	724.94	-	-	11,100.17	9,973.21
PRIL	4,723.86	9,248.27	-	-	-	-	4,723.86	9,248.27
HSRIL	-	-	328.57	626.81	-	-	328.57	626.81
PRI	-	-	5,013.07	-	-	-	5,013.07	-
FVRI	-	-	1,031.62	-	-	-	1,031.62	-
Others	-	-	3.05	98.13	-	-	3.05	98.13
Administrative, Selling and Distribution Exp.	4.88	54.21	90.61	100.52	-	-	95.49	154.73
PRIL	4.88	54.21	-	-	-	-	4.88	54.21
FCSI	-	-	39.14	40.41	-	-	39.14	40.41
FATI	-	-	11.96	-	-	-	11.96	-
FKSI	-	-	36.03	49.22	-	-	36.03	49.22
Others	-	-	3.48	10.89	-	-	3.48	10.89
Inter Corporate Deposits Given to	1,200.00	-	-	-	-	-	1,200.00	-
PRIL	1,200.00	-	-	-	-	-	1,200.00	-
Inter Corporate Deposits Repaid by	700.00	1,758.00	-	2,300.00	-	-	700.00	4,058.00
PRIL	700.00	1,758.00	-	-	-	-	700.00	1,758.00
HSRIL	-	-	-	1,500.00	-	-	-	1,500.00
BEPI	-	-	-	800.00	-	-	-	800.00
Remuneration to KMP	-	-	-	-	41.77	53.84	41.77	53.84
Mr. Shankerson Banerjee	-	-	-	-	16.55	53.84	16.55	53.84
Mr. Pankaj Tibrewal	-	-	-	-	25.22	-	25.22	0.00



(Amt in Laacs)

Nature of Transactions	Amount with related party referred to in – above							
	Holding Company		Associates/Fellow Subsidiaries		Key Management Personnel		Consolidate Balance	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Balance O/s as on 31.03.2010	751.24	12.37	515.75	0.01	-	-	1266.99	12.38
Receivable								
PRIL	751.24	12.37	-	-	-	-	751.24	12.37
FBIL	-	-	235.43	-	-	-	235.43	-
FVRL	-	-	226.59	-	-	-	226.59	-
FATL	-	-	4.59	-	-	-	4.59	-
SFOPPL	-	-	8.52	-	-	-	8.52	-
FSCSL	-	-	36.68	-	-	-	36.68	-
FCREPL	-	-	2.19	-	-	-	2.19	-
FMIL	-	-	1.39	-	-	-	1.39	-
FGIACL	-	-	0.32	-	-	-	0.32	-
FSRL	-	-	0.01	0.01	-	-	0.01	0.01
TPFPL	-	-	0.03	-	-	-	0.03	-
Balance O/s as on 31.03.2010	-	(684.40)	(107.00)	(42.04)	-	-	(107.00)	(726.44)
Payable								
PRIL	-	(684.40)	-	-	-	-	-	(684.40)
HSRIL	-	-	(81.21)	-	-	-	(81.21)	-
FKS	-	-	(25.79)	(4.58)	-	-	(25.79)	(4.58)
FSCS	-	-	-	(15.06)	-	-	-	(15.06)
FATL	-	-	-	(22.40)	-	-	-	(22.40)



4 Lease

Operating Lease:

The Company has entered into operating lease arrangements for office premises, vehicles, warehouse and employee accommodations. Agreements of such leases include renewal clause. There are no restrictions imposed by lease arrangements. There are no subleases.

Minimum Lease Payments	March 31, 2010 (Rs in Lacs)	March 31, 2009 (Rs in Lacs)
Lease Rent recognized in the Profit and Loss Account	232.31	261.07
Payable not later than one year	138.18	138.18
Later than one year but not later than five years	449.83	588.01

Finance Lease:

	March 31, 2010 (Rs in Lacs)	March 31, 2009 (Rs in Lacs)
Total minimum lease payments at the year end	6.73	12.99
Less : amount representing finance charges	1.26	2.52
Present value of minimum lease payments	5.47	10.47
Minimum Lease Payments :		
(i) Minimum lease payments		
Not later than one year	2.23	14.73
Later than one year but not later than five years	-	19.13
(ii) Present value of minimum lease payments for a period		
Not later than one year	2.03	12.06
Later than one year but not later than five years	-	17.45

5 Contingent liabilities:

Guarantees given by banks on behalf of the Company Rs. 3.00 Lacs (Previous year Rs. 3.00 Lacs)

There are no contracts remaining to be executed on capital account at the year end.

6 Employee Benefits

a) Defined Contribution Plans (Provident Fund)

The provident fund is operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in Profit and Loss Account:

Particulars	March 31, 2010 (Rs in Lacs)	March 31, 2009 (Rs in Lacs.)
Employer's contribution to Provident Fund	10.10	17.32



b) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions

Assumptions	March 31, 2010	March 31, 2009
Discount Rate (per annum)	8%	8%
Rate of increase in compensation levels (per annum)	5%	5%
Rate of return on Plan Assets (for Funded Scheme)	NA	NA
Expected Average remaining working lives of the employees (years)	23 Years	24 Years

A. Change in the Present Value of Obligation

Particulars	March 31, 2010 Gratuity (Rs in Lacs)	March 31, 2009 Gratuity (Rs in lacs.)
Present Value of Defined Benefit Obligation as at beginning of the period	4.30	1.55
Interest Cost	0.35	0.12
Current Service Cost	2.44	3.05
Benefits Paid	Nil	Nil
Actuarial (gain) / loss on Obligations	(1.64)	(0.42)
Present Value of Defined Benefit Obligation as at the end of the period (Un-funded)	5.45	4.30

B. Changes in the Fair Value of Plan Assets (None since the obligation is non funded)

C. Expenses recognised in Profit and Loss Account (Non-Funded)

	March 31, 2010 (Rs in Lacs)	March 31, 2009 (Rs in Lacs)
Current Service Cost	2.43	3.05
Past Service Cost	-	-
Interest Cost	0.34	0.12
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	(1.64)	(0.42)
Total Expenses recognised in the Profit And Loss Account*	1.13	2.75



D. Actual Return on Plan Assets – None since no funding was done

The expected rate of return on plan assets is based on market expectations at the beginning of the period. The rate of return on long-term government bonds is taken as reference for this purpose.

7 Payment to Auditors (included under professional fees and including service tax)

Particulars	March 31, 2010 (Rs in Lacs)	March 31, 2009 (Rs in Lacs)
As Auditors		
Statutory Audit Fees	5.90	5.52
Out of Pocket expenses	0.10	-
Total	6.00	5.52

8 Details of loans given to subsidiaries and associates and firms/companies in which directors are interested**Pantaloon Retail India Limited**

Balance as at March 31, 2010 is Rs. 500 lacs due on 22nd April 2010 (previous year Rs. NIL)
Maximum amount outstanding during the year Rs. 1,200 Lacs (previous year Rs. 1,798.51 Lacs)

9 Details of dues to Micro, Small and Medium Enterprise as per MSMED Act, 2006

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till March 31, 2010. Accordingly, no disclosures are required to be made under said Act and Schedule VI to the Companies Act, 1956.

10 Deferred Tax:

Particulars	March 31, 2010 (Rs in Lacs)	March 31, 2009 (Rs in Lacs)
Deferred Tax Asset		
Unabsorbed Depreciation	611.78	464.22
Carry forward of losses	1,754.46	1,248.84
Provision for Leave Encashment & Gratuity	3.69	3.15
Provision for Doubtful Debtors and Advances	7.41	0
Provision for Bonus		6.22
Gross Deferred tax Asset (A)	2,377.34	1,722.43
Deferred Tax Liability		
Preliminary Expenses W/off	2.87	2.94
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	327.79	318.34
Gross Deferred tax Asset (B)	330.66	321.28
Deferred Tax Asset (Net) (A-B)	2,046.68	1,401.15



The timing differences result in a net deferred asset, relating mainly to unabsorbed depreciation and carried forward losses under the Income Tax Act, 1961. The Deferred tax asset has been recognized as the management is certain that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

11 Investments

Details of current investment purchase and sold during the year.

(Rs. in lacs)

Mutual Fund Name	Op. Details		Purchased		Redeemed		Closing Investment	
	No. of Units	Cost of Purchase	No. of Units	Cost of Purchase	No. of Units	Sales Value	No. of Units	Cost of Purchase
Birla Sun Life Saving Fund Institution-Growth	5,922,049	975	-	-	5,922,049	975	-	-
HDFC Cash Management Fund – Treasury Advantage Plan	3,266,581	625	1,039,555	200	4,306,136	825	-	-
Kotak Flexi Debt Fund	-	-	2,312,976	250	2,312,976	250	-	-
SBI Short Horizon Fund Ultra Short Term IP Growth	-	-	1,985,802	200	1,985,802	200	-	-
Total	9,188,630	1,600	5,338,333	650	14,526,963	2,250	-	-

12 Earning Per Share

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

Particulars	Unit	March 31, 2010	March 31, 2009
Profit / (Loss) after tax	(Rs in Lacs.)	(1,394.29)	(1,868.11)
Weighted average number of equity shares	(In Nos.)	236.08	236.08
Basic and diluted EPS	(In Rs)	(5.91)	(7.91)

13 Details of Trading Goods

The Company is engaged in the business of retailing of large number of products. As it is not practical to ascertain the quantitative information in respective of each product, the quantitative information is grouped together.

A. Sale of Trading Goods (Net of VAT/Sales Tax)

	Units	March 31, 2010		March 31, 2009	
		Qty	Value in Lacs	Qty	Value in Lacs
Merchandise (Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	Nos.	1,327,661	5,771.73	3,008,109	2,435.31
Gift Vouchers	Nos.	4,346,046	5,891.13	5,143,424	9,397.54
Total		5,673,707	11,662.86	8,151,533	11,832.85



B. Purchase of Goods /Gift Vouchers

	Units	March 31, 2009		March 31, 2009	
		Qty	Value in Laacs	Qty	Value in Laacs
Merchandise (Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	Nos.	1,327,661	5,543.49	3,666,522	2,797.70
Gift Vouchers	Nos.	4,346,016	5,706.99	5,139,999	9106.24
Total		5,673,677	11,250.48	8,806,521	11,903.95

C. Opening and Closing Stock

	March 31, 2010		March 31, 2009	
	Qty (Nos.)	Value in Laacs	Qty (Nos.)	Value in Laacs
Opening Stock				
- Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	740,577	429.52	82,164	204.99
- Gift Vouchers	30	1.76	3,455	19.27
Closing Stock				
- Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	7,40,577	250.98	740,577	429.52
- Gift Vouchers	-	-	30	1.76

13.4 Value of Imports calculated on CIF basis

Particulars	March 31, 2010	March 31, 2009
	(Rs in Laacs)	(Rs in Laacs)
Raw Material	-	0.66
Imports of Computer and Hardware materials	11.68	35.44
Total	11.68	36.10

13.5 Outflow in foreign currency (on accrual basis)

Particulars	March 31, 2010	March 31, 2009
	(Rs in Laacs)	(Rs in Laacs)
Professional fees	169.50	35.23
Consultation fees	-	13.67
Travelling expense	-	1.89
Total	169.50	36.10



- 14 These accounts have not been authenticated by a whole time Company Secretary as required under section 215 of Companies Act, 1956 ('the act'), as no whole time Company secretary has been appointed by the Company as required by section 383A of the Act. Also, the Company has not appointed whole time / managing director or manager as required under section 269 of the said act.
- 15 Previous year's figures have been regrouped where necessary to conform to this year's classification.
- 16 The figures of previous year were audited by a firm of Chartered Accountants other than S.V. Ghatalia & Associates.

As per our Report of even date attached

S. V. Ghatalia & Associates
For S.V Ghatalia & Associates
Firm Registration No. 103162W
Chartered Accountants



[Signature]
per Sudhir Soni
Partner

Membership No.: 41870

Place : Mumbai

Date : 29 JUL 2010

For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

[Signature]
Rakesh Biyani
Director

[Signature]
C.P. Toshniwal
Director



BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

Additional Information as required under Part IV of Schedule VI to the companies Act, 1956.

1 Registration Details

Registration No.
 Balance Sheet Date Date Month Year

State Code

2 Capital Raised During the Year (Amount in Rs.Lacs)

Public Issue	<input type="text"/>	Rights Issue	<input type="text"/>
Bonus Issue	<input type="text"/>	Private Placement	<input type="text"/>

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	<input type="text"/>	Total Assets	<input type="text"/>																	
Sources of Funds:																				
Paid up Capital	<input type="text"/>	Reserves & Surplus	<input type="text"/>																	
Share Application Money	<input type="text"/>	Unsecured Loans	<input type="text"/>																	
Secured Loans	<input type="text"/>		<input type="text"/>																	

Application of Funds:

Net Fixed Assets	<input type="text"/>	Investments	<input type="text"/>
Deferred Tax Assets/(Liability) (Net)	<input type="text"/>	Net Current Assets	<input type="text"/>
Miscellaneous Expenditure	<input type="text"/>	Accumulated Losses	<input type="text"/>

4 Performance of the Company (Amount in Rs. Lacs)

Turnover	<input type="text"/>	Total Expenditure	<input type="text"/>
Profit/(Loss) before tax	<input type="text"/>	Profit/(Loss) after tax	<input type="text"/>
Earning per share (Rs.)	<input type="text"/>	Dividend Rate %	<input type="text"/>

5 Generic Names of Principal Products/ Services of the Company(As per Monetary Terms)

Item Code no.(ITC Code)	Product Description
<input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/>	<input type="text" value="W"/> <input type="text" value="A"/> <input type="text" value="T"/> <input type="text" value="C"/> <input type="text" value="H"/>
<input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="1"/>	<input type="text" value="B"/> <input type="text" value="O"/> <input type="text" value="O"/> <input type="text" value="K"/> <input type="text" value="S"/>
<input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/>	<input type="text" value="U"/> <input type="text" value="M"/> <input type="text" value="B"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value="L"/> <input type="text" value="L"/> <input type="text" value="A"/>

For and on behalf of Board of Directors

Place : MUMBAI
Date :

29 JUL 2010


Rakesh Blyani
Director


C.P. Toshniwal
Director

