

## Directors' Report

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To,  
The Members  
Future Agrovvet Limited

Your Directors are pleased to present the Fifth Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2010.

### FINANCIALS

(Rs.in lacs)		
Particulars	For the year ended 31.03.2010	For the period ended 31.03.2009
Sales (net of taxes)	57,607.50	39,126.16
Other Income	52.42	10.99
<b>Total Income</b>	<b>57,816.28</b>	39,236.11
Depreciation	194.54	256.53
<b>Total expenditure</b>	<b>57,863.36</b>	39,663.53
Profit before tax & provisions	(47.08)	(427.41)
Provisions	(19.78)	(121.44)
Profit after taxes & provisions	(27.30)	(305.98)
Earning per share (Basic & Diluted)	(0.07)	(1.12)

During the year under review, the Company has achieved a turnover of Rs.578.16 crores as against Rs.392.36 Crore during the previous year registering 47% growth in turnover. Net loss has also been reduced from Rs.4.27 Crore during previous year to Rs.0.47 Crore during the year under review as the Company is achieving break even in its operations. As at 31 March 2010, Company operates 174 Food Bazaar and 105 KB's FairPrice. However, as a part of re-alignment process within the Group, Company's retail division KB's FairPrice was hived off and transferred to fellow subsidiary Future Value Retail Limited w.e.f. 1 April 2010. Your Directors do not see any adverse impact on the business of the Company due to transfer of the said division.

### DIVIDEND

In view of loss, your directors are unable to recommend any dividend for the year under report.

### FIXED DEPOSIT

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

### DIRECTORS

Mr. Sadashiv Nayak and Mr. C P Toshniwal, Directors of the Company, retire by rotation at the ensuing annual general meeting of the Company and being eligible, offers themselves for re-appointment.

The Board had appointed Mr. Rajendra Baheti and Mr. Govind Baheti as Additional Directors w.e.f. 1st April 2010 who hold office as such till the date of ensuing annual general meeting pursuant to the provisions of section 260 of the Companies Act, 1956. The Company has

received notices from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Rajendra Baheti and Mr. Govind Baheti for the appointment as Director.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

### **AUDITORS**

M/s. NGS & Co., Chartered Accountants, the retiring Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. They have issued a certificate to the effect that their re-appointment, if made at the ensuing annual general meeting, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Members are requested to consider and approve the appointment of M/s. NGS & Co. as auditors of the Company.

### **PARTICULARS OF EMPLOYEES**

There is no employee in the Company drawing more than the limits specified under section 217(2A) of the Companies Act, 1956 and hence, no information need to be given thereunder.

### **AUDIT COMMITTEE**

The Company has established an Audit Committee pursuant to the provisions of section 292A of the Companies Act, 1956. The said Committee consists of the following directors:

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

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

A Conservation of Energy : None

B Technology Absorption : Not applicable to the Company since the Company does not have / use any technology.

C Technology Absorption, adaptation & innovation : Not applicable to the Company since the Company does not have / use any technology.

D. Foreign Exchange Earnings & Outgo :

Activities relating to export /Services : None

Initiative taken to increase exports : Not Applicable

Development of new Export markets for products and services : None

Export Plans : Not Applicable

Foreign Exchange Earned : Nil

Foreign Exchange Spent : Rs. 2.32 Lacs (P.Y.Rs.1.40 Lacs)

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

#### **AUDITORS' REMARKS**

Auditors have observed on the procedural aspects in respect of scope and coverage of internal audit system, your directors state that areas of internal controls are being enhanced with increased volume of the business of the Company.

#### **ACKNOWLEDGEMENT**

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

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

Sd/-  
**C P Toshniwal**  
Director

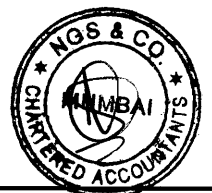
Sd/-  
**Narendra Baheti**  
Managing Director

Mumbai, 31st July 2010

**Auditor's Report**

To,  
**The Members of Future Agroviet Limited**

1. We have audited the attached Balance Sheet of **Future Agroviet Limited**, (the 'Company') as at **March 31, 2010**, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The financial statements dealt with by this report are in agreement with the books of account;
  - d. In our opinion the financial statements dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 and the Rules framed there under.
  - e. On the basis of 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 Act;
  - f. Without qualifying our opinion, we draw attention to Note No. 2(b) in Schedule 18 to the accounts relating to refinement in the method of valuation of closing stock of Inventories.
  - g. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report 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, in the case of:

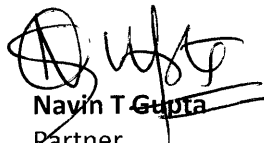


- i) the Balance Sheet, of the state of affairs of the Company as at **March 31, 2010**;
- ii) the Profit and Loss Account, of the loss for the year ended on that date; and
- iii) the Cash Flow Statement, of the cash flows for the year ended on that date

**For NGS & Co**

Chartered Accountants

Firm Registration No.: 119850W

  
**Navin T. Gupta**

Partner

Membership No. 40334

Mumbai

Date

**31 JUL 2010**



**Annexure to the Auditors' Report of even date to the members of Future Agrovat Limited, on the financial statements for the year ended March 31, 2010.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (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 program of verification once in 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (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.
- (iii)(a) The company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.800.00 Lacs and year-end balance of loan granted was Rs.171.71 Lacs.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of loans granted, the repayment of principal amount is as stipulated and payment of interest has been regular.
- (d) There is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.



**Annexure to the Auditors' Report of even date to the members of Future Agrovat Limited, on the financial statements for the year ended March 31, 2010.**

- (e) The Company had taken loans from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.2,00,00,000/- and the year-end balance of loan taken from such party was Rs. Nil.
- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of loans taken, the repayment of principal amount and interest was as stipulated.
- (iv) In our opinion, 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 and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding value of rupees five lakhs in respect of any party during the year have been entered into at price, which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable.
- (vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be further enhanced to be commensurate with its size and the nature of its business.*
- (viii) Since the company is neither engaged in manufacturing, processing, production and mining activities, to the best of our knowledge and belief, Section 209(1)(d) is not applicable to the Company. Accordingly, the provisions of clause 4(viii) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.



**Annexure to the Auditors' Report of even date to the members of Future Agrovat Limited, on the financial statements for the year ended March 31, 2010.**

- (ix) (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) Further, no undisputed amounts payable in respect thereof of were outstanding at the year end for a period of more than six months from the date they become payable.
- (c) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities 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 percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediate preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a bank during the year. There were no dues payable to financial institution or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (xvii) On overall examination of the balance sheet and cash flow statement of the Company, we report that, no funds raised on short-term basis have been used for long-term investment.

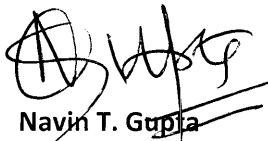




**Annexure to the Auditors' Report of even date to the members of Future Agrovat Limited, on the financial statements for the year ended March 31, 2010.**

- (xviii) The Company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has neither issued nor had any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year covered by our audit.

**For NGS & Co**  
**Chartered Accountants**  
Firm Registration No.: 119850W



**Navin T. Gupta**  
Partner  
Membership No. 40334  
Mumbai

Date **31 JUL 2010**



**Future Agrovet Limited**  
**Balance Sheet as at March 31, 2010**

(Rs. In Lacs)

Particulars	Sch. No.	As At March 31, 2010	As At March 31, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	3,650.00	3,650.00
		<b>3,650.00</b>	<b>3,650.00</b>
<b>Loan Funds</b>			
Secured Loans	2	3,136.33	3,322.41
Unsecured Loans	3	1,800.00	-
<b>TOTAL</b>		<b>8,586.33</b>	<b>6,972.41</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross block	4	2,437.89	2,309.54
Less : Accumulated Depreciation		641.13	468.91
Net block		<b>1,796.76</b>	<b>1,840.63</b>
Capital work-in-progress including capital advances		-	56.17
		<b>1,796.76</b>	<b>1,896.80</b>
<b>Investments</b>	5	<b>0.80</b>	-
<b>Deferred Tax Assets</b>		<b>255.51</b>	<b>235.73</b>
<b>Current Assets, Loans and Advances</b>			
Inventories	6	6,812.80	5,405.27
Sundry Debtors	7	1,601.79	711.63
Cash and Bank Balances	8	246.74	220.74
Loans and Advances	9	701.71	663.25
<b>(A)</b>		<b>9,363.04</b>	<b>7,000.89</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	10	3,399.53	2,692.60
Provisions	11	35.34	46.20
<b>(B)</b>		<b>3,434.87</b>	<b>2,738.80</b>
<b>Net Current Assets</b>	<b>(A - B)</b>	<b>5,928.17</b>	<b>4,262.09</b>
<b>Profit and Loss Account</b>		<b>605.09</b>	<b>577.79</b>
<b>TOTAL</b>		<b>8,586.33</b>	<b>6,972.41</b>

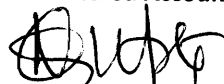
**Significant Accounting Policies and Notes to Accounts** 18

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For **NGS & CO.**

Chartered Accountants

  
**Navin T Gupta**  
 Partner

Membership No. 40334

Place : Mumbai

Date : 31.07.2010

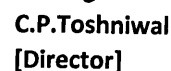


For and on behalf of the Board of Directors

**Future Agrovet Limited**



**Narendra Bhaeti**  
 [Managing Director]

  
**C.P. Toshniwal**  
 [Director]

**Future Agrovat Limited**  
**Profit and Loss Account for the year ended March 31, 2010**

Profit and Loss Account for the year ended March 31, 2010		(Rs. In Lacs)	
Particulars	Schd	Year Ended March 31, 2010	Year Ended March 31, 2009
<b><u>INCOME</u></b>			
Sales		58,590.56	39,723.01
Less: Sales Tax Expenses		983.06	596.85
		<b>57,607.50</b>	<b>39,126.16</b>
Other Operating Income	12	156.36	101.04
Other Income	13	52.42	7.86
<b>TOTAL</b>		<b>57,816.28</b>	<b>39,235.06</b>
<b><u>EXPENDITURE</u></b>			
Cost of Goods Sold	14	53,310.85	34,398.52
Personnel Expenses	15	1,634.83	1,772.66
Operating and other expenses	16	2,292.93	2,890.95
Financial expenses	17	430.21	343.81
Depreciation and Amortisations	4	194.54	256.53
(Refer Note No. 3 (vi), Schedule 18)			
<b>TOTAL</b>		<b>57,863.36</b>	<b>39,662.48</b>
Loss before tax		(47.08)	(427.41)
Provision for Taxation			
Deferred Tax charge		(19.78)	(140.44)
Fringe benefit tax		-	19.00
Total Tax Expense / (Income)		<b>(19.78)</b>	<b>(121.44)</b>
<b>Profit / (Loss) after tax</b>		<b>(27.30)</b>	<b>(305.97)</b>
<b>Net Loss for the Year</b>		<b>(27.30)</b>	<b>(305.97)</b>
Balance brought forward from previous year		<b>(577.79)</b>	<b>(271.82)</b>
<b>Loss Carried Over to Balance Sheet</b>		<b>(605.09)</b>	<b>(577.79)</b>

**Significant Accounting Policies and Notes to Accounts**

18

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date  
For NGS & CO.

Chartered Accountants

  
**Navin T Gupta**  
Partner

Membership No. 40334

Place : Mumbai

Date : 31.07.2010



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



**Narendra Bhaeti**  
[Managing Director]

  
**C.P. Toshniwal**  
[Director]

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

Particulars	For the year Ended on March 31, 2010	(Rs. In lacs) For the year Ended on March 31, 2009
<b>A. Cash flow from operating activities:</b>		
Net Profit before interest, tax and extraordinary items	(47.08)	(427.41)
Adjustment for:		
Depreciation	194.54	256.53
Interest expense	390.16	272.16
Loss on sale / Retirement of fixed Assets	11.15	
Interest income	(27.30)	2.98
Foreign exchange Loss/ (Gain)	(17.57)	10.09
<b>Operating profit before working capital changes</b>	<b>550.98</b>	<b>541.76</b>
Adjustments for:	<b>503.90</b>	<b>114.35</b>
(Increase) / Decrease in Inventories	(1,407.53)	(3,016.76)
(Increase) / Decrease in Trade Receivables	(890.16)	8.42
(Increase) / Decrease in Loans and Advances	(38.46)	70.06
Increase / (Decrease) in Current Liabilities	696.07	864.28
Cash generated from the operation	(1,640.08)	(2,073.99)
Direct tax paid	(1,136.18)	(1,959.64)
<b>Net cash from operating activities</b>	<b>(1,136.18)</b>	<b>(1,959.64)</b>
<b>B. Cash flow from Investing Activities</b>		
Sale of fixed assets	24.21	-
Purchase of fixed assets	(129.86)	(1,016.81)
Interest received	27.30	(2.98)
Investments made in National Savings Certificates	(0.80)	-
<b>Net cash used in investing activities</b>	<b>(79.15)</b>	<b>(1,019.78)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from / (Repayment) of Secured Term Loans	(277.75)	1,041.56
Proceeds from / (Repayment) of Secured Cash Credit Loans	(1,027.27)	902.25
Proceeds from / (Repayment) of Secured Working Capital Loan	661.99	338.01
Proceeds from / (Repayment) of Bill Discounting Facilities	437.23	-
Proceeds from / (Repayment) of Vehicle Loans	19.72	(3.73)
Proceeds from / (Repayment) of Unsecured Loans	1,800.00	(549.51)
Proceeds from Issuance of Share Capital	-	1,550.00
Interest paid	(390.16)	(272.16)
Foreign Exchange Loss/ (Gain)	17.57	(10.09)
<b>Net cash from financing activities</b>	<b>1,241.33</b>	<b>2,996.33</b>
<b>Net increase in cash and cash equivalent (A+B+C)</b>	<b>26.00</b>	<b>16.90</b>
Cash & cash equivalent as at March 31, 2009	220.74	203.84
Cash & cash equivalent as at March 31, 2010	246.74	220.74

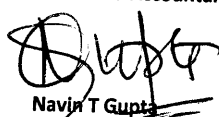
**Notes:**

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

As per our report of even date

For NGS & CO.

Chartered Accountants

  
**Navin T Gupta**  
**Partner**

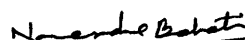
Membership No. 40334

Place : Mumbai

Date : 31.07.2010



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



**Narender Bhaeti**  
**[Managing Director]**



**C.P. Toshniwal**  
**[Director]**

**Future Agrovet Limited**

**Schedules to Balance Sheet as at March 31, 2010**

Particulars	As At March 31, 2010 (Rs. In lacs)	As At March 31, 2009 (Rs. In lacs)
<b><u>Schedule 1 : Share capital</u></b>		
<b>Authorised</b>		
60,000,000 Equity shares of Rs.10/- each	<b>6,000.00</b>	6,000.00
<b>Issued &amp; Subscribed &amp; Paid-up Capital</b>		
36,500,000 Equity Shares of Rs. 10/- each fully paid	3,650.00	3,650.00
Of the above:		
(i) 35,100,000 Equity Shares of Rs. 10/- each are held by the Holding Company, M/s Pantaloon Retail (India) Limited		
(ii) 1,000,000 equity shares of Rs.10 each are allotted as fully paid up pursuant to contracts for consideration other than cash.		
	<b>3,650.00</b>	<b>3,650.00</b>
<b><u>Schedule 2 : Secured Loans</u></b>		
<b><u>Loans from Banks</u></b>		
Rupee Term Loans	763.81	1,041.56
Cash Credit Facilities	909.27	1,936.54
Short Term Rupee Loans	1,000.00	338.01
Bill Discounting Facilities	437.23	-
(Refer Note No. 3 (ii), Schedule 18)		
<b><u>Other Rupee Loans</u></b>		
From Others		
Vehicle Loans	26.01	6.29
(Refer Note No. 3 (ii), Schedule 18)		
	<b>3,136.33</b>	<b>3,322.41</b>
<b><u>Schedule 3 : Unsecured Loans</u></b>		
Inter Corporate Deposits	1,800.00	-
	<b>1,800.00</b>	-
<b><u>Schedule 5 : Investments</u></b>		
<b>Long Term, At Cost</b>		
National Saving Certificates	0.80	-
(Refer Note No. 3 (iii), Schedule 18)		
	<b>0.80</b>	-



**Future Agrovet Limited**

**Schedules to Balance Sheet as at March 31, 2010**

**Schedule 4: Fixed Assets**

Particulars	Rate	Gross Block				Depreciation			Net Block	
		As at	Addition	Sale /	As at	As at	For the	As at	As at	As at
		01.04.2009		Write Off	31.03.2010	01.04.2009	Year	31.03.2010	31.03.2010	31.03.2009
Leasehold Improvements	33.33%	142.83	45.03	-	187.86	27.42	26.28	53.70	134.16	115.41
Motor Car	9.50%	42.58	32.55	6.17	68.96	10.95	4.23	12.71	56.25	31.63
Furniture & Fixture	6.33%	1,243.83	21.02	16.01	1,248.84	149.20	74.39	217.48	1,031.36	1,094.64
Office Equipment	4.75%	128.43	23.19	4.31	147.31	57.48	8.73	62.82	84.49	70.95
Plant & Machinery	4.75%	365.31	26.90	17.42	374.78	159.19	12.79	167.71	207.08	206.12
Computer	16.21%	375.91	37.00	7.33	405.58	63.71	61.88	124.45	281.13	312.20
Hard Furnishing		10.65	-	6.10	4.55	0.97	6.24	2.25	2.30	9.68
<b>Total</b>		<b>2,309.54</b>	<b>185.68</b>	<b>57.34</b>	<b>2,437.89</b>	<b>468.91</b>	<b>194.54</b>	<b>641.13</b>	<b>1,796.76</b>	<b>1,840.63</b>
<b>Previous Year Total</b>		<b>1,181.32</b>	<b>1,199.59</b>	<b>71.37</b>	<b>2,309.54</b>	<b>217.40</b>	<b>256.53</b>	<b>468.91</b>	<b>1,840.63</b>	<b>963.92</b>

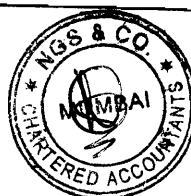
**Note**

1. Capital work-in-progress Rs. Nil (2009: 56.17 lacs) includes capital advances Rs. Nil (2009: Rs. Nil)
2. Motor Car costing Rs. 412,305 (2009: Rs. 412,305) WDV Rs. 254,545 (2009: WDV Rs. 293,714) are yet to be registered in Company's name.



**Future Agrovet Limited**  
**Schedules to Balance Sheet as at March 31, 2010**

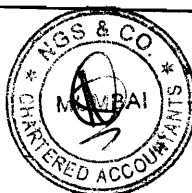
Particulars	(Rs. In lacs)	
	As At March 31, 2010	As At March 31, 2009
<b><u>Schedule 6 : Inventories</u></b>		
<b>(At lower of cost and net realisable value)</b>		
Finished Goods	6,812.80	5,405.27
	<b>6,812.80</b>	<b>5,405.27</b>
<b><u>Schedule 7 : Sundry Debtors</u></b>		
<b>Unsecured, Considered Doubtful</b>		
Outstanding for a period exceeding six months	1.82	-
Less: Provision for Doubtful Debts	(1.82)	-
	-	-
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months	56.96	-
Other debts*	1,544.83	711.63
	<b>1,601.79</b>	<b>711.63</b>
(*Refer Note No. 3 (v) Schedule 18)	<b>1,601.79</b>	<b>711.63</b>
<b><u>Schedule 8 : Cash and Bank Balances</u></b>		
Cash in hand	47.00	61.43
Balances with scheduled banks:		
in current accounts	174.68	137.59
in deposit accounts*	25.06	21.72
(* Refer Note No. 3 (iii), Schedule 18)		
	<b>246.74</b>	<b>220.74</b>
<b><u>Schedule 9 : Loans and Advances</u></b>		
<b>Unsecured, Considered Good</b>		
Advances recoverable in cash or kind or for value to be received (Refer Note No. 3 (viii), Schedule 18)	109.72	79.16
Security Deposits	347.16	518.42
Inter Corporate Deposits (Refer Note No. 3 (v), Schedule 18)	171.71	-
Payment / Deduction of Income Tax	50.66	40.25
Value Added Tax Input Credit	22.47	25.42
	<b>701.71</b>	<b>663.25</b>
<b>Unsecured, Considered Doubtful</b>		
Security Deposits	7.24	-
Less: Provision for Doubtful Deposits	(7.24)	-
	-	-
	<b>701.71</b>	<b>663.25</b>
<b><u>Schedule 10 : Liabilities</u></b>		
Sundry Creditors	3,319.65	2,616.78
Sundry Deposits	5.95	6.18
Advance from Customers	2.61	0.56
Other liabilities	71.32	69.08
	<b>3,399.53</b>	<b>2,692.60</b>
<b><u>Schedule 11 : Provisions</u></b>		
Fringe Benefit Tax (net of advance tax payments)	-	4.93
Provision for Gratuity	19.95	19.33
Provision for Leave Encashment	15.39	21.95
	<b>35.34</b>	<b>46.20</b>



**Future Agrovet Limited**

**Schedules to Profit and Loss Account for the year ended on March 31, 2010**

	(Rs. In lacs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
<b><u>Schedule 12 : Operating Income</u></b>		
Business Exhibition Income	20.93	54.34
Rent Income	24.26	42.97
Other Operating Income	111.16	3.73
	<b>156.36</b>	<b>101.04</b>
<b><u>Schedule 13 : Other Income</u></b>		
Interest Income		
-On Fixed Deposits (TDS Rs.16,481/-; 2009: 37,396)	1.98	2.40
-On Others (TDS Rs. Nil; 2009: Rs. Nil)	0.38	0.58
-On Inter Corporate Deposit (TDS Rs.2,04,658/-; 2009: Nil)	22.13	-
- On Income Tax Refund	2.81	-
Exchange Gain	17.57	-
Sundry Balance Written Off	3.04	0.05
Miscellaneous income	4.51	4.84
	<b>52.42</b>	<b>7.86</b>
<b><u>Schedule 14 : Cost of Goods sold</u></b>		
Purchase of Trading Goods	54,044.58	36,386.61
Purchase of Packing Materials	371.41	258.51
Freight on Purchases	267.07	586.37
Loading and Unloading Expenses	151.31	123.42
Packing Charges	194.60	235.92
Less: Discounts Received on Purchases	(310.61)	(175.54)
<b><u>(Increase) / Decrease in Inventories</u></b>		
Inventory of Trading Goods as at March 31, 2010	6,812.80	5,405.27
Inventory of Trading Goods as at March 31, 2009	5,405.27	2,388.51
	<b>(1,407.53)</b>	<b>(3,016.76)</b>
	<b>53,310.85</b>	<b>34,398.52</b>
<b><u>Schedule 15 : Employees Remuneration and Related Benefits</u></b>		
Salaries, wages and bonus	1,497.56	1,586.41
Contribution to provident and other funds	72.71	82.17
Workmen and staff welfare expenses	65.07	80.82
Gratuity and Leave Encashment Expenses	(0.51)	23.26
	<b>1,634.83</b>	<b>1,772.66</b>





**Future Agrovet Limited**

**Schedules to Profit and Loss Account for the year ended on March 31, 2010**

(Rs. In lacs)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
<b><u>Schedule 16 : Operating and Other Expenses</u></b>		
House Keeping & Security Charges	127.27	162.40
Water and Electricity Expenses	104.11	138.83
Freight and Forwarding Charges	452.94	286.21
Rent	1,023.48	1,550.99
Rates and Taxes	153.58	43.58
Insurance	32.58	21.43
Repairs and Maintenance		
- Plant and Machinery		
- Buildings	1.82	1.86
- Others	3.22	7.65
Advertising and Marketing Expenses	59.46	37.89
Brokerage and Commission	24.28	100.37
Guest House Expense	20.29	12.09
Travelling and Conveyance	11.77	16.47
Communication Expenses	60.89	97.19
Printing and Stationery	69.59	114.66
Legal and Professional Fees	36.56	43.14
Auditor's Remuneration [Refer Note No. 3(vii), Schedule 18]]	68.72	83.58
Exchange difference (net)	4.96	5.01
Loss on Sale/ Retirement of Fixed Assets	-	10.09
Donation	11.15	66.35
Share Issue Expenses	0.34	0.03
Loss Due to Cash Theft	-	22.00
Provision for Doubtful Debts	0.07	2.27
Provision for Doubtful Deposits	1.82	-
Cash Discount	7.24	-
Miscellaneous Expenses	6.24	0.37
	10.55	66.50
	<b>2,292.93</b>	<b>2,890.95</b>
<b><u>Schedule 18 : Financial Expenses</u></b>		
Interest		
- Fixed Loans	108.33	89.46
- Other Loans	281.83	182.70
[Refer Note No. 3(iv), Schedule 18]]	<b>390.16</b>	<b>272.16</b>
Bank charges	40.05	71.65
	<b>430.21</b>	<b>343.81</b>



**1. Nature of Operations**

Future Agrovet Limited is in the business of wholesale and retail trade of food and grocery product.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation:**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**(b) Change in Accounting Policy**

Following the Indian GAAP (AS-2), the company has refined the method of determination of cost value of inventories from FIFO to Weighted Average Basis. Consequent to this change, the value of inventories is lower by Rs.219.52 Lacs.

**(c) Use of Estimates**

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

**(d) Fixed Assets and Depreciations**

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

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

**(e) Investment**

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

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

**(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 assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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



**(g) Expenditure incurred prior to opening of new stores**

Expenditure directly relating to opening of new stores (KB Fair Price) is capitalized. Indirect expenditure incurred prior to opening of stores is capitalized as part of the indirect cost to the extent to which the expenditure is indirectly related to opening of stores or is incidental thereto.

**(h) Inventories**

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

**(i) Foreign currency transactions**

**(i) Initial Recognition**

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

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate.

**(iii) Exchange Differences**

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

**(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*

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

*Sales Return*

Sales returns are recognized on receipt of materials to the warehouse / stores as the case may be.

*Service Income*

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

*Interest*

Interest is recognized on time proportion basis.

**(k) Post Employment Benefits**

Defined Contribution Plan

Defined Contribution to Provident Fund is charged to the Profit & Loss Account as incurred. There are no other obligations other than the contribution payable to the respective statutory authorities.



**Defined Benefit Plan**

Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that determined by reference to market yields at the Balance Sheet date on government securities where the currency terms of the government securities are consistent with the currency and estimate terms of the defined benefit obligation. During the current year end, the accrued liability towards gratuity is provided on actuarial basis as on the Balance Sheet date as per revised Accounting Standard AS-15 "Employee Benefits" (Revised) as issued by the Institute of Chartered Accountants of India.

**Other Long Term Employee Benefits**

Other Long Term Employee Benefits viz., Leave Encashment are recognised as an expense in the Profit & Loss account as and when it accrues. The company determines the liability using the Project Unit Credit method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gain and losses in respect of such benefit are charged to Profit & Loss Account.

**(l) Leases**

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

**(m) Earnings Per Share**

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

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

**(n) Cash and Cash equivalents**

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

**(o) Income Taxes**

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

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

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



**(p) Provisions**

A provision is recognised 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.

**3. Notes to Accounts:****(i) Commitments and contingent liabilities not provided for:****a. Capital Commitment**

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (2009: Nil)

b. Bank Guarantee outstanding Rs 26.00 Lacs (2009: Rs. 19.72 Lacs)

**(ii) Secured Loans**

(a) Short Term Loans of Rs.1,000 Lacs and Cash Credit Facilities of Rs.909.27 Lacs are secured by first and exclusive charge by way of hypothecation of entire current assets, second charge on all other assets not covered under the first charge above and personal guarantee of one of the directors.

(b) Term Loan of Rs.763.81 Lacs is secured by First and exclusive charge on all Assets not charged under the working capital limit, second charge on the immovable property and personal guarantee of one of the directors.

(c) Vehicle Loans are secured by hypothecation of vehicles.

(d) Bill Discounting facilities are secured by way of hypothecation of paripasu first charge on stocks and book debts, PDC and Covering letter from PRIL and Personal Guarantee of Mr. Kishore Biyani.

(e) Following loan installments are due during next 12 months

Term Loans – Rs.277.75 Lacs (2009: Rs.277.75 Lacs)

Unsecured Loans – Rs.1,800.00 Lacs (2009: Rs. Nil)

Vehicle Loans – Rs.9.15 Lacs (2009: Rs.3.73 Lacs)

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

(iv) Interest allocated against Fixed Assets amounts to Rs.5.52 Lacs. (2009: Rs. 24.99 Lacs)

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

(Rs. In Lacs)		
Companies under Same Management	As At March 31, 2010	As At March 31, 2009
<b><u>Sundry Debtors</u></b>		
Pantaloon Retail India Limited	41.18	619.63
Future Value Retail Limited	1,426.80	-
Future Mobile & Accessories Ltd.	36.49	35.41
Home Solutions Retail (India) Ltd	6.34	6.07
Future Learning & Development Ltd	-	0.53
Future Media (India) Ltd	-	2.36
	<b>1,515.07</b>	<b>736.00</b>
<b><u>Inter Corporate Deposits &amp; Interest Due</u></b>		
Pantaloon Retail India Limited	171.71	-
	<b>150.00</b>	-



**Future Agrovet Limited**

Schedules annexed to and forming part of the accounts as at March 31, 2010

**Schedule 18 – Significant Accounting Policies and Notes to Accounts****(vi) Retirement of Fixed Assets**

During the year Lease Improvements valuing to Rs. Nil (2009: Rs. 71.37 Lacs) were retired / written off due to closure of stores.

**(vii) Auditor's Remuneration:****(Rs. in Lacs)**

Particulars	Ended on March 31, 2010	Ended on March 31, 2009
Audit Fees*	4.41	4.41
Tax Audit*	0.55	0.55
Out of pocket expenses	-	0.05
<b>Total</b>	<b>4.96</b>	<b>5.01</b>

\* including service tax

(viii) The balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to the confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not expect any material variation.

(ix) There are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2010. The information regarding micro, small or medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**(x) Related Party Transactions :****A. Relationships****a) Holding Company**

Pantaloon Retail (India) Limited

**b) Fellow Subsidiaries**

- Wholewealth Limited (up to June 29, 2009)
- Home Solutions Retail (India) Limited
- Future Value Retail Limited (erstwhile known as Pantaloon Future Ventures Limited)
- Future Knowledge Services Limited
- Future Supply Chain Solutions Limited (erstwhile Future Logistic Solutions Limited)
- Future Mobiles & Accessories Limited
- Home Solutions Services (India) Limited
- Future Brands Limited
- Pair Retail India Limited (erstwhile Home Lighting India Limited) (up to January 03, 2010)

**c) Key Management Personnel**

Mr. Narendra Baheti – Managing Director

**d) Relatives of Key Management Personnel**

Brother : Mr. Rajendra Baheti

Spouse : Mrs. Archana Baheti

**e) Enterprises owned or significantly influenced by key management personnel :**

Rajendra &amp; Co.- Vashi - Proprietor Concern (Narendra Baheti)

Premium Harvest Private Limited (Narendra Baheti – Director)



**Future Agrovet Limited**

**Schedules annexed to and forming part of the accounts as at March 31, 2010**

**Schedule 18 – Significant Accounting Policies and Notes to Accounts**

**B. Transaction with related Parties**

Transactions with related parties for the year ended on March 31, 2010 are as under:

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel / their relatives	(Rs. In Lacs)
					Relatives of Key Management Personnel
Sales	34,483.66 (24,893.26)	10,715.97 (-)	- (-)	18.35 (32.45)	- (-)
Purchases	138.86 (257.65)	1087.6 (177.45)	- (-)	19.79 (15.53)	- (-)
Service Charges and Other Expenses	41.55 (-)	45.51 (337.40)	- (-)	- (-)	- (-)
Purchase of Capital Assets	- (10.65)	0.04 (102.10)	- (-)	- (-)	- (-)
CWIP Sale	- (-)	0.27 (11.66)	- (-)	- (-)	- (-)
Rent Paid	- (-)	- (-)	- (-)	- (-)	1.33 (1.32)
Remuneration	- (-)	- (-)	27.98 (27.98)	- (-)	22.32 (22.32)
Allotment of Shares	- (1,550.00)	- (-)	- (-)	- (-)	- (-)
ICD Taken	850.00 (-)	- (-)	- (-)	- (-)	- (-)
ICD Given	1,000.00 (-)	- (-)	- (-)	- (-)	- (-)
Interest Received on ICD	20.47 (-)	- (-)	- (-)	- (-)	- (-)
Advance Given	- (-)	- (-)	- (-)	4.27 (-)	- (-)
Interest Paid on ICD	4.27 (-)	- (-)	- (-)	- (-)	- (-)
<b>Balances</b>					
Receivables	41.18 (619.63)	1,469.63 (44.37)	- (-)	4.27 (-)	- (-)
Payables	0.53 (73.57)	369.12 (310.33)	- (-)	0.05 (-)	- (-)
ICD Given	171.71 (-)	- (-)	- (-)	- (-)	- (-)
Deposits Given	- (-)	- (-)	- (-)	- (-)	0.50 (0.50)

\* Figures in Brackets are for previous period



**Future Agrovet Limited**
**Schedules annexed to and forming part of the accounts as at March 31, 2010**
**Schedule 18 – Significant Accounting Policies and Notes to Accounts**

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

(Rs. In Lacs)

Nature of Transaction	Home Solution Retail (India) Ltd	Future Mobile & Accessories Ltd.	Future Knowledge Service Ltd.	Future Chain Supply Solutions Ltd.	Whole Wealth Ltd	Future Value Retail Limited	Pairs Retail India Ltd.	Future Brands Limited
Sales	- (-)	- (-)	- (-)	- (-)	- (-)	10,715.97 (-)	- (-)	- (-)
Purchases	23.42 (9.84)	- (-)	- (-)	- (-)	41.96 (166.65)	72.30 (-)	949.92 (-)	- (-)
Service Charges and Other Expenses	- (-)	1.08 (48.43)	35.07 (21.47)	9.36 (267.50)	- (-)	- (-)	- (-)	- (-)
Capital Purchases	0.04 (-)	- (-)	- (53.94)	- (-)	- (-)	- (-)	- (-)	- (11.24)
CWIP Sales	0.27 (11.12)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Balances</b>								
Receivable	6.34 (6.07)	36.49 (35.41)	- (-)	- (-)	- (-)	1,426.80 (-)	- (-)	- (-)
Payable	21.14 (8.53)	- (-)	88.69 (66.87)	87.70 (87.55)	13.80 (115.78)	107.80 (-)	42.61 (-)	9.96 (9.96)

\* Figures in Brackets are for previous period

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

(Rs. Lacs)

Nature of Transaction	Rajendra & Co.	Premium Harvest Private Limited
Sales	18.35 (32.45)	- (-)
Purchases	19.79 (15.53)	- (-)
Advance Given	- (-)	4.27 (-)
<b>Balances</b>		
Receivable	0.05 (-)	4.27 (-)

\* Figures in Brackets are for previous period

(xi) **Managerial remuneration:**

(Rs. In Lacs)

Particulars	For Year ended on March 31, 2010	For Year ended on March 31, 2009
Salaries	26.75	26.75
Contribution to Provident fund	1.23	1.23
<b>Total</b>	<b>27.98</b>	<b>27.98</b>





**Notes:-**

- (a) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.
- (b) The Company has paid remuneration to its managing director in excess of its limit specified in Schedule XIII of Companies Act, 1956 for which the Company has received approval of the Central Government vide letter no. 12/178/2006-CL.VII Dated 10th April 2007.
- (c) The Company has not paid any commission to directors and hence computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been disclosed.

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

**Defined Benefit Plan**

**Reconciliation of Opening and Closing balances of Defined Benefit Plan.**

**(Rs. in Lacs)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Present value of obligation at the beginning of the year	19.33	5.15	21.95	14.45
Current service cost	10.38	10.07	9.72	6.66
Interest cost	1.55	0.52	1.13	0.10
Actuarial (gain)/Loss	(11.24)	3.59	(12.03)	2.32
Benefits paid	(0.05)	-	(5.38)	(1.58)
Present value of obligation at the end of the year	19.95	19.33	15.39	21.95

**Reconciliation of fair value of assets and obligation**

**(Rs. In Lacs)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Present value of obligation	19.95	19.33	15.39	21.95
Less: Fair Value of the plan assets	-	-	-	-
Liability Recognised in the Balance sheet	19.95	19.33	15.39	21.95

**Expenses in statement of Profit & Loss**

**(Rs. in Lacs)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Current service cost	10.38	10.07	9.72	6.66
Interest cost	1.55	0.52	1.13	0.10
Expected return on plan assets	-	-	-	-
Actuarial (gain)/Loss	(11.24)	3.59	(12.03)	2.32
Net Cost	0.68	14.18	(1.19)	9.08



The Principle assumptions used in the actuarial valuation are as below

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Discounted rate (per annum)	8%	8%	8%	8%
Expected rate of future salary increase	5%	5%	5%	5%

(xiii) **Segmental Reporting:**

Company follows AS – 17 “Segment Reporting” relating to the reporting of financials and descriptive information about their operating segments in Financial Statements.

Company’s reportable operating segments have been determined in accordance with the internal management structure, which is organized based on the operating business segments as described below. The geographical segment is not relevant as there are no exports.

**K B Fair Price:** KBFP stores are retail outlets selling households needs.

**Agri Business:** Agri business is wholesale format, selling agro based products.

(a) Business Segment (Year ended March 31, 2010)						(Rs. in Lacs)
Particulars	KBFP		Agri		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>Segment Revenue</b>	<b>11,715.48</b>	<b>13,233.26</b>	<b>46,073.50</b>	<b>25,999.88</b>	<b>57,788.98</b>	<b>39,232.09</b>
<b>Segment Result (PBIT)</b>	<b>(916.83)</b>	<b>(853.75)</b>	<b>1,232.61</b>	<b>609.30</b>	<b>315.78</b>	<b>(158.22)</b>
Interest Expense	-	-	-	-	390.16	272.16
Interest Income	-	-	-	-	27.30	2.98
<b>Profit before tax</b>	<b>(916.83)</b>	<b>(853.75)</b>	<b>1,232.61</b>	<b>609.30</b>	<b>(47.08)</b>	<b>(427.41)</b>
Provision for deferred tax	-	-	-	-	(19.78)	(140.44)
Provision for Fringe benefit tax	-	-	-	-	-	19.00
<b>Profit after tax</b>	<b>(916.83)</b>	<b>(853.75)</b>	<b>1,232.61</b>	<b>609.30</b>	<b>(27.30)</b>	<b>(305.97)</b>
Segment Assets	1,337.75	4,451.30	8,025.29	4,860.81	9,363.04	9,312.11
Unallocable Assets	-	-	-	-	0.80	-
Capital Expenditure as on date	1,933.50	1,877.16	504.39	432.38	2,437.89	2,309.54
Segment liabilities	2,272.17	3,795.00	6,027.70	2,192.19	8,299.87	5,987.19
Unallocable Liabilities	-	-	-	-	71.32	69.08
<b>Depreciation</b>	<b>455.82</b>	<b>330.44</b>	<b>185.30</b>	<b>138.47</b>	<b>641.13</b>	<b>468.91</b>



(xiv) **Value of import calculated on CIF basis**

Particulars	(Rs. in Lacs)	
	For the year Ended on March 31, 2010	For the year Ended on March 31, 2009
Trading goods	241.21	166.65
<b>Total</b>	<b>241.21</b>	<b>166.65</b>

(xv) **Expenditure in Foreign Currency**

Particulars	(Rs. in Lacs)	
	For the year Ended on March 31, 2010	For the year Ended on March 31, 2009
Travelling Expenses	2.32	1.40
<b>Total</b>	<b>2.32</b>	<b>1.40</b>

(xvi) **Earnings Per Share:**

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

Computation of Earnings Per Share	For the year Ended on March 31, 2010	For the year Ended on March 31, 2009
Net Loss as per profit and loss account (Rs. in Lacs)	(27.30)	(305.97)
Weighted average number of equity shares in calculating basic EPS (F.V. Rs.10/- each) (Nos.)	36,500,000	27,389,041
Weighted average number of equity shares in calculating diluted EPS (F.V. Rs.10/- each) (Nos.)	36,500,000	27,389,041
<b>Basic and Diluted Earnings Per Share (Rs.)</b>	<b>(0.07)</b>	<b>(1.12)</b>

(xvii) **Leases**

The company has taken various warehouses, offices and stores on leases. The lease rentals recognised in the profit and loss account for the year are Rs.1,023.48 Lacs (2009: Rs.1,550.99 Lacs). The future lease payments of operating lease are as follows:

Minimum Lease Payments :	(Rs. in Lacs)	
	2009-10	2008-09
Not later than one year	917.74	1,020.37
Later than one year but not later than five years	2,935.93	3,277.66
Later than five years	1,489.43	1,151.31



(xviii) **Deferred Tax Assets:**

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

(Rs. in Lacs)		
Particulars	For the year Ended on March 31, 2010	For the year Ended on March 31, 2009
<b>Deferred Tax Liability</b>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	46.12	16.85
<b>Total</b>	<b>46.12</b>	<b>16.85</b>
<b>Deferred Tax Asset</b>		
Expenses disallowed for the year	13.72	10.97
Carry Forward Loss	90.40	90.40
Depreciation Loss	197.51	151.21
<b>Total</b>	<b>301.63</b>	<b>252.58</b>
<b>Net Deferred Tax Asset</b>	<b>255.51</b>	<b>235.73</b>

(xix) **Sales, Purchases, Opening and Closing Stock**

Particulars	Oil		Staples		Others		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>Opening Stock</b>								
Qty	579,007	76,001	11,483,752	12,548,787	-	-	-	-
Rs. In Lacs	512.86	64.39	3,681.78	2,313.87	1,210.63	10.31	5,405.27	2,388.57
<b>Purchases</b>								
Qty	7,481,648	6,881,577	113,991,308	121,714,886	-	-	-	-
Rs. In Lacs	5,942.45	6,008.01	44,371.73	26,371.03	4,085.36	4,011.35	54,399.55	36,390.39
<b>Sales*</b>								
Qty	7,438,066	6,378,570	112,206,273	115,253,637	-	-	-	-
Rs. In Lacs	5,907.21	5,609.99	48,252.07	29,649.22	3,451.89	3,792.43	57,611.18	39,051.64
<b>Closing Stock</b>								
Qty	622,589	579,007	13,268,787	19,010,036	-	-	-	-
Rs. In Lacs	530.14	512.86	5,140.02	3,681.78	1,142.64	1,210.63	6,812.80	5,405.27

\* Sales include handling losses, free sampling, scrapes etc.

(xx) These accounts have not been authenticated by a whole time Company Secretary as required under section 215 of the Companies Act, 1956, as no whole time Company Secretary has been appointed by the Company as required under section 383 (A) of the Act.



**Future Agrovet Limited**

**Schedules annexed to and forming part of the accounts as at March 31, 2010**

**Schedule 18 – Significant Accounting Policies and Notes to Accounts**

**(xxi) Previous Period Comparatives**

The previous year's figures have been regrouped wherever necessary to conform to current period's groupings.

**For NGS & Co.  
Chartered Accountants**



**Navin T. Gupta  
Partner**

**Membership No 40334**

**Place: Mumbai**

**Dated: 31.07.2010**



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



**C.P. TOSHNIWAL  
Director**

**Place: Mumbai**

**Dated: 31.07.2010**



**NARENDRA BAHETI  
Managing Director**

**Place: Mumbai**

**Dated: 31.07.2010**

# FUTURE AGROVET LIMITED

## STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	<b>Registration No. 152599</b> Balance Sheet Date 31-03-2010	State Code - 11
II	<b>Capital raised during the year (Amount in '000)</b> Public issue XX Bonus issue XX	Right issue XX Private Placement XX
III	<b>Position of Mobilisation and Deployment of Funds (Amount in Rs. Lac)</b> Total Liabilities 8,586.33 Sources of Funds Paid up capital 3,650.00 Secured Loans 3,136.33  Application of Funds Net Fixed Assets 1,796.76 Net current Assets 5,928.17 Accumulated Losses 605.09	Total Assets 8,586.33  Reserves & Surplus XX Unsecured Loans 1,800.00  Investments 0.80 Misc. Expenditure XX
IV	<b>Performance of Company (Amount in Rs.Lac)</b> Turnover 57,607.50 Loss before tax 47.08 Earning per share in Rs. Basic / Diluted (0.07)	Total Expenditure(Net of other income) 57,654.58 Loss after tax 27.30 Dividend rate %
V	<b>Generic Names of Principal Products / Services of company (As per Monetary Terms)</b>  Item Code No.(ITC Code) -	Production Description - Trading (Retailer)

  
Narendra Baheti

Managing Director

Place: Mumbai

Date: 31st July, 2010



C.P. Toshniwal  
Director