

Future E-Commerce Infrastructure Limited

Annual Report

2010 - 11

DIRECTORS' REPORT

To,
The Members
Future E-Commerce Infrastructure Limited

Your Directors are pleased to present the Fourth Annual Report of the Company for the financial year ended 31st March 2011.

FINANCIALS HIGHLIGHTS

(Rs. in lacs)

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
Net Sales	8,730.46	11,669.39
Other income	258.08	92.07
Total Income	8,988.54	11,761.46
Expenditure before depreciation	13,160.95	13,372.87
Depreciation	356.75	428.41
Total Expenditure	13,517.70	13,801.28
Deferred Tax Assets	1,513.84	645.53
Net Loss	3,015.31	1,394.28
EPS (Rs.)	(12.77)	(5.91)

The Company's revenue declined during the year of operations compared to the previous year due to slow demand across the various categories of products. Net loss of the Company also increased compared to the previous reporting year due to higher involvement in marketing and brand awareness campaign. Management is hopeful that investment in brand awareness & marketing will increase traffic to the e-portal and turnover of the Company.

During the year under review, your Company had acquired, to synergize with the Company's e-commerce business to achieve the better business propositions, significant equity stake in Chaupaati Bazaar Private Limited (CBPL), a company carrying on business in the field telemarketing services to various FMCG companies. CBPL provides marketing support to FMCG companies to market their products to the customers through telemarketing services. The Board is very optimistic about the prospects of such acquisition.

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.

SHARE CAPITAL

During the year under review, authorised share capital of the Company was increased to Rs.53.84 Crore by creating additional preference shares.

During the year under review, the Board had offered to the existing shareholders of the Company on right basis, new 53,26,135 Compulsory Convertible Preference Shares aggregating to Rs.60.19 Crore. Subsequent to the issue of said shares, the paid up capital of the Company has reached to 50.45 Crore.

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:*

The Company is at present operating in e-commerce activities and targeting Indian customers only and does not have any plans to consider export initiatives.

Foreign Exchange Earnings & Outgo	(Rs. In lacs)	
	2010-11	2009-10
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo:		
Professional Fees	10.37	169.50

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


Vivek Biyani
Director


C P Toshniwal
Director

Mumbai, 29th June 2011

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, 2011 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. 8 of schedule 19 regarding recognition of Deferred Tax Asset (net) of Rs. 356,052.38 thousand (Previous year Rs. 204,668.05 thousand) based on 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 recognised the deferred tax asset, the loss for the year and accumulated loss as at March 31, 2011, would have been higher by Rs. 356,052.38 thousand (Previous year Rs. 204,668.05 thousand) and deferred tax asset would have been lower by Rs. 356,052.38 thousand (Previous year Rs. 204,668.05 thousand). In respect of the above item, the previous years' 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, 2011

- 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, 2011;
 - 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

[Signature]
per Sudhir Soni
Partner
Membership No. 41870



Place: Mumbai
Date: June 29, 2011

S.V. GHATAIA & ASSOCIATES
Chartered Accountants

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Audit report of Future E-Commerce Infrastructure Limited
For the year ended March 31, 2011

**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) During the year, the Company has disposed off a substantial part of its fixed assets. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said fixed assets has not affected the going concern status of the Company.
- (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) (a) 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 Companies Act, 1956. 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. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) 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 Companies Act, 1956 that need to be entered into the register maintained under section 301.



S. V. GHATALIA & ASSOCIATES

Chartered Accountants

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Audit report of Future B-Commerce Infrastructure Limited
For the year ended March 31, 2011

- (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 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, investor education and protection fund, employees' state insurance, service tax customs duty, excise duty and cess have generally been regularly deposited with the appropriate authorities.

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, investor education and protection fund, employees' state insurance, 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.



S. V. GHATALIA & ASSOCIATES
Chartered Accountants

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Audit report of Future E-Commerce Infrastructure Limited
For the year ended March 31, 2011

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, 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) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue 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 course of our audit.

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


per Sudhir Soni
Partner
Membership No. 41870



Place: Mumbai
Date: June 29, 2011

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in Thousand)

PARTICULARS	Schedules	As at March 31, 2011	As at March 31, 2010
I SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	501,529.75	451,268.40
Reserves and Surplus	2	917,670.14	369,078.22
Loan Funds			
Secured loans	3	40,104.23	223.01
Unsecured loans	4	103,606.63	
TOTAL		1,565,910.75	820,569.63
II APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		167,840.86	251,387.42
Less : Depreciation and Amortisation		17,812.49	83,317.61
Net Block		150,028.37	168,069.81
Capital Work in Progress (including Capital Advances)			119.25
		150,028.37	168,189.06
Deferred Tax Asset (Refer note no.8 to schedule 19)		356,052.38	204,668.05
Investment	6	58,682.85	
Current Assets, Loans and Advances			
Inventories	7	41,472.51	2,281.94
Sundry Debtors	8	75,656.77	27,730.77
Cash and Bank Balances	9	5,247.12	12,492.52
Loans and Advances	10	382,183.20	118,389.63
		504,559.60	160,894.86
Less : Current Liabilities and Provisions			
Current Liabilities	11	226,356.30	134,351.53
Provisions	12	814.57	1,058.11
		227,170.87	135,409.64
Net Current Assets		277,388.73	25,485.22
Profit and Loss Account		723,758.42	422,227.30
TOTAL		1,565,910.75	820,569.63
Notes to Accounts	19		

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

per Siddhar Soni
Partner
Membership No: 41870

Place : Mumbai
Date : June 29, 2011



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

Vivek Biyani
Director

C.P. Poshniwal
Director

Anand Agrawal
CFO



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in Thousand)

PARTICULARS	Schedules	For the year ended March 31, 2011	For the year ended March 31, 2010
I INCOME			
Sales and Operating Income	13	873,046.51	1,166,939.60
Other Income	14	25,807.64	9,207.20
		898,854.15	1,176,146.80
II EXPENDITURE			
Cost of Goods/Gift Voucher Sold	15	871,930.64	1,163,716.13
Personnel Cost	16	60,210.28	45,468.51
Operating and other expenses	17	373,615.03	127,884.58
Depreciation/Amortisation	5	35,674.75	42,840.04
Finance charges	18	10,338.90	218.67
		1,351,769.60	1,380,127.93
Loss before tax		452,915.45	203,981.13
III Provision for Taxation			
Deferred Tax Assets		151,384.33	64,552.80
Net Loss after tax		301,531.12	139,428.33
Add : Balance brought forward from previous year		422,227.30	282,798.97
Loss carried to Balance Sheet		723,758.42	422,227.30
Earning Per Share (in Rs.) (Face value Rs.10) (Refer note no.10 to schedule 19)		(12.77)	(5.91)
Notes to Accounts	19		

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

Sudhir Soni
 per Sudhir Soni
 Partner
 Membership No: 41870



Place : Mumbai
 Date : June 29, 2011

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

Vivek Blyani
 Vivek Blyani
 Director

C.P. Toshniswal
 C.P. Toshniswal
 Director

Arvind Agrawal
 Arvind Agrawal
 CFO



FUTURE-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Thousand)

PARTICULARS	As at March 31, 2014	As at March 31, 2013
SCHEDULE 1: SHARE CAPITAL		
AUTHORISED:		
24,000,000 (Previous Year: 24,000,000) Equity Shares of Rs. 10 each	240,000.00	240,000.00
26,844,595 (Previous Year: 21,518,460) Preference Share of Rs. 10 each	268,445.95	215,184.60
	508,445.95	455,184.60
ISSUED, SUBSCRIBED AND PAID-UP:		
23,608,380 (Previous Year: 23,608,380) Equity Shares of Rs. 10 each fully paid up	236,083.80	236,083.80
Of the above:		
16,998,000 (Previous Year: 16,998,000) Equity Shares are held by Pantaloon Retail (India) Limited, the Holding company		
21,518,460 (Previous Year: 21,518,460) Non cumulative Convertible Preference Shares of Rs. 10% each fully paid up Series I (Convertible into Equity Shares in the ratio of 12:1 in July 2017)	215,184.60	215,184.60
5,326,135 (Previous Year: Nil) Non cumulative Convertible Preference Shares of Rs. 10% each fully paid up Series II (Convertible into Equity Shares in the ratio of 1:1 in 2017) (Refer note no. 12 to schedule 19)	53,261.35	-
	604,529.75	451,268.40
SCHEDULE 2 : RESERVES AND SURPLUS		
Securities premium Account	917,670.14	369,078.22
	917,670.14	369,078.22
SCHEDULE 3 : SECURED LOAN		
Hire Purchase (Secured by vehicles taken on lease)	-	223.01
Cash credit from bank (Secured by hypothecation of stock and bank debts)	40,104.23	-
	40,104.23	223.01
SCHEDULE 4 : UNSECURED LOAN		
Finance Lease Obligation (Finance lease is from non banking Company, balance due within one year is Rs.51,437.70 Thousand (Previous Year: Rs. Nil))	103,606.63	-
	103,606.63	-



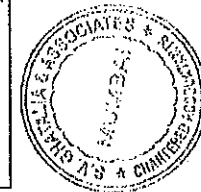
FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Gross Block				Depreciation		Net Block	
	As at April 01, 2010	Additional Adjustment	Deduction/ Adjustment	As at March 31, 2011	For the Year	Deduction/ Adjustments	As at March 31, 2011	As at March 31, 2010
Intangible Assets:								
Computers software & website	129,831.70	-	129,831.70	-	10,902.31	63,139.84	-	77,594.17
Tangible Assets:								
Air Conditioners	626.03	417.35	626.03	417.35	83.13	247.93	43.68	373.87
Office Equipments	2,722.04	1,466.45	2,724.69	1,464.68	512.81	1,790.47	353.76	1,116.92
Vehicles	963.29	-	688.18	275.11	78.29	476.98	21.08	254.03
Computer Hardware	72,207.32	127,987.38	72,260.81	127,933.99	18,161.40	25,096.01	32,258.43	114,685.56
Leasehold Improvement	12,625.91	5,123.48	12,625.90	5,123.49	1,259.26	3,321.27	739.15	4,394.34
Plant & Machinery	26,063.57	23,191.82	26,063.57	23,191.82	3,521.51	3,966.04	2,477.29	20,714.62
Furniture & Fixtures	6,346.74	9,434.23	6,346.74	9,434.22	1,156.04	1,141.33	989.19	8,445.03
TOTAL FIXED ASSETS	251,587.42	167,631.08	251,167.64	167,840.86	35,674.75	101,179.87	17,512.49	150,328.37
Previous Year	246,786.79	8,978.23	4,577.59	251,387.52	42,840.04	1,571.76	83,577.61	168,069.53
* Capital Work in progress								19.25

* Capital work in progress represents advances for capital expenditure Rs. Nil (Previous year: Rs. 119.25 Thousand)

Fixed Asset Description	March 31, 2011		March 31, 2010	
	Cost	WDV	Cost	WDV
Air Conditioner	417.55	373.85	-	-
Office Equipment	1,088.96	973.42	-	-
Vehicles	-	-	4,097.00	3,000.00
Computer Hardware	125,546.80	112,407.38	-	-
Leasehold Improvement	3,771.75	3,577.00	-	-
Plant & Machinery	23,191.82	20,764.62	-	-
Furniture & Fixtures	9,434.22	8,446.36	-	-
Total	163,451.10	146,343.13	4,097.00	3,000.00

Note: Cost and Written Down Value (WDV) of assets taken on finance lease are as under:



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in Thousands)

PARTICULARS	As at March 31, 2011	As at March 31, 2010
SCHEDULE 6: INVESTMENT		
Long Term - trade Investments (Non Quoted) 391,219 (previous year: Nil) Equity Shares, face value of Rs 1 each fully paid up in Chhatrapati Bazar Private Limited. (Refer note no.9 to schedule 19)	58,682.85	-
	58,682.85	-
SCHEDULE 7: INVENTORIES		
<i>(Valued at lower of cost or net realisable value)</i>		
Finished goods	41,472.51	2,281.94
	41,472.51	2,281.94
SCHEDULE 8: SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	17,008.73	14,319.01
Unsecured, considered doubtful	1,854.47	2,231.26
Other debts		
Unsecured, considered good	58,648.04	13,111.76
	77,511.24	29,662.03
Less:- Provision for doubtful debts	1,854.47	2,231.26
	75,656.77	27,430.77



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in Thousands)

PARTICULARS	As at March 31, 2011	As at March 31, 2010
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	13.18	11.05
Balances with scheduled banks:		
in current account	-1,883.84	11,719.08
in fixed deposit account	350.10	742.39
	5,247.12	12,492.52
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances receivable in cash or in kind or value to be received	18,262.50	52,920.11
Deposits	50.00	10.00
Inter Corporate Deposits	345,200.00	50,000.00
Advance Tax (Including TDS or refund if any)	5,940.96	9,241.22
VAT/Service Tax Receivable (Input Credit)	12,739.74	6,218.30
	382,183.20	118,389.63
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors (Other than micro, small and medium enterprises) (Refer note no. 7 to schedule 19)		
- For Goods and services	213,570.33	74,768.19
- For Capital goods	209.47	253.65
Advances from customers	7,102.04	57,906.92
Other liabilities	5,474.46	1,422.77
	226,356.30	134,351.53
SCHEDULE 12: PROVISIONS		
Provision for Compensated Absence	343.99	513.43
Provision for Gratuity (Refer note no. 4 to schedule 19)	470.58	543.68
	814.57	1,058.11



FUTURE-COMMERCE INFRASTRUCTURE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
MARCH 31, 2011

PARTICULARS	(Rs. in Thousand)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 13 : SALES AND OTHER OPERATING INCOME		
Sales (Net of Discount) (Refer note no 11 to schedule 19)	894,701.46	1,172,641.15
Loss: Vat-Sales Tax	21,681.95	6,354.55
Sales (Net)	873,046.51	1,166,286.60
Other Operating Income	-	653.00
	873,046.51	1,166,939.60
SCHEDULE 14 : OTHER INCOME		
<u>Interest</u>		
- On Inter Corporate Deposit (TDS Rs.1088.07 Thousands (Previous Year Rs. Nil))	11,914.76	4,960.55
- On Fixed Deposit (TDS Rs.2.37 Thousand (Previous Year Rs.4.31 Thousand))	265.57	67.71
- On Others	233.82	13.75
Dividend Received on Current Investment	-	4,372.11
Profit on sale of Fixed Assets	13,385.04	-
Miscellaneous Income	8.48	293.05
	25,807.64	4,207.20
SCHEDULE 15 : COST OF GOODS/ GIFT VOUCHERS SOLD		
<u>Traded Goods</u>		
Opening Stock	2,281.94	33,238.00
Add: Purchase (Refer note no. 11 to schedule 19)	911,421.21	1,132,770.07
	913,703.15	1,165,998.07
Less: Closing Stock	41,472.51	2,281.94
	871,930.64	1,163,716.13
SCHEDULE 16 : PERSONNEL COST		
Salaries, Wages and Bonus	56,952.51	43,395.46
Company's contribution to provident and other funds (Refer note no. 4 to schedule 19)	1,601.48	1,116.14
Employee welfare expenses	1,354.79	509.47
Gratuity (Refer note no.4 to schedule 19)	53.46	113.91
Leave Encashment	248.61	342.53
	60,210.28	45,468.51



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
 SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
 MARCH 31, 2011

(Rs. in Thousands)

PARTICULARS	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 17: OPERATING AND OTHER EXPENDITURE		
Printing and stationery	807.87	358.39
Auditors remuneration (Refer note no. 5 to schedule 19)	876.14	600.00
Electricity charges	3,300.79	1,060.62
Legal and professional fees	43,366.44	13,762.71
Internet bandwidth charges	9,271.44	5,193.44
Rent (Refer note no. 2 to schedule 19)	38,517.95	22,815.07
Repairs and maintenance - others	11,369.00	5,175.64
Consultant charges	80,221.83	42,081.51
Rates and Taxes	2,718.53	21.77
Insurance	999.66	1,566.95
Comifer charges	20,379.09	4,872.75
Telephone charges	4,540.45	780.47
Service tax receivable written off	-	17,332.16
Provision for Doubtful Debts (net of bad debts written off Rs 2364 thousand (Previous Year: Rs. Nil))	1,987.25	325.41
Advertising and sales promotion	147,528.56	6,807.00
Packing material	3,710.58	1,058.98
Loss on Sale of Fixed Assets	-	183.36
Miscellaneous expenses	4,018.85	3,385.32
	373,618.03	127,881.58
SCHEDULE 18: FINANCE CHARGES		
Interest		
- On Finance Lease (Refer note no.2 to schedule 19)	7,010.40	-
Bank charges on Cash Credit A/c	3,328.50	218.67
	10,338.90	218.67



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in Thousand)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
I Cash Flow from Operating Activities		
Net Loss before Tax and Extraordinary Items	(452,915.45)	(203,981.13)
Adjustments for:		
Depreciation	35,674.75	42,840.04
Loss/(Profit) on Sale of Fixed Assets	(13,385.04)	183.36
Provision for Doubtful Debts and Advances	1,987.25	825.41
Service tax receivable written off	-	17,332.16
Interest income	(12,414.15)	(4,542.04)
Dividend income on Current Investments	-	(4,372.11)
Interest Expense & Finance Cost	10,338.90	218.67
Operating Loss before Working Capital changes	(430,713.74)	(151,495.65)
Adjustment for working capital:		
(Increase)/decrease in Inventories	(39,190.57)	30,946.00
(Increase)/decrease in Trade Receivable	(49,913.25)	(10,628.31)
(Increase)/decrease in Loans and advances	31,406.43	45,200.00
Increase/(decrease) in Trade payables	92,004.77	(45,620.00)
Increase/(decrease) in Other provisions	(243.54)	129.60
Cash generated from operations	(396,649.90)	(131,468.36)
Net Cash from operating activities	(396,649.90)	(131,468.36)
II Cash Flow from Investing Activities		
Purchase of Fixed Assets and change in CWIP	(167,504.83)	(9,097.00)
Proceed from Sale of Fixed Assets	163,375.82	2,622.09
(Purchase)/Sale of Shares and Mutual Funds	(58,682.85)	160,000.00
Dividend income on Current Investments	-	4,372.12
Interest income	12,414.15	4,542.04
Fixed deposit with banks	392.29	(108.96)
Net Cash used in Investing Activities	(50,005.42)	162,330.29
III Cash Flow from Financing Activities		
(Payments)/Proceeds from Hire Purchase arrangement	143,487.85	(2,551.00)
Inter Corporate Deposit (given)/repaid	(295,200.00)	(50,000.00)
Interest Paid	(10,338.90)	(218.67)
Proceeds from Issue of Preference Share Capital	601,853.26	-
Net Cash generated from Financing Activities	439,802.21	(52,769.67)
Net Decrease in cash and cash equivalents (A+B+C)	(6,853.11)	(21,907.74)
Cash and Cash Equivalents (Opening Balance)	11,750.13	33,657.87
Cash and Cash Equivalents (Closing Balance)	4,897.02	11,750.13
Components of Cash and Cash Equivalents	March 31, 2011	March 31, 2010
Cash on Hand	13.18	11.05
Balances with scheduled banks in current account	4,883.84	11,739.08
Total	4,897.02	11,750.13

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) Amendment Rules, 2006.
- Figures in bracket represent cash outflow.

As per our Report of even date

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

[Signature]
 per Sudhir Soni
 Partner
 Membership No: 41870

Place: Mumbai
 Date: June 29, 2011



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

[Signature]
 Vivek Biyani
 Director
[Signature]
 C.P. Toshniwal
 Director
[Signature]
 Arvind Agrawal
 CFO



FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

A. SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Operations

The Company is in the business of facilitating an online Company with its expertise in its operations and marketing activities. Future Ecommerce Infrastructure Limited ('FECH,' 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.

b) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified 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.

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 the disclosure of the contingent liabilities on the date of the financial statements and the results of operations during the reporting year end 31st March, 2011

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.

d) 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.

e) 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	15.00%	4.75%
Office Equipment	13.91%	13.91%
Vehicles	23.75%	9.5%
Computers	16.21%	16.21%
Plant and Machinery	10.00%	4.75%



d) Intangible assets

Costs relating to developing of the website of the company are capitalized and are amortized over their useful life of 5 years, which is estimated to be approximately 5 years.

Cost of computer software acquired, are capitalized and amortized on Straight Line Method ('SLM') basis over its useful life of 5 years.

g) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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.

h) 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 capitalized.

In case of leases, where the lesser 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.

i) 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.

j) Inventories

Inventories of traded goods are valued at lower of cost or 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 sale.

k) 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 recognized 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, return, discount are recorded net of sales tax and value added tax.

Sale of Gift Vouchers:

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



Interest

Income is recognized on accrual basis taking into account the amount outstanding and the rate/s applicable.

Dividends

Income is accounting for when the right to receive payment is established by the balance sheet date.

l) Foreign Currency transactions

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.

Conversion

Foreign currency monetary items are reported using the closing rate.

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 recognized as income or as expenses in the year in which they arise.

m) 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 made at the end of each financial year.

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.

n) 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 recognized 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 realize.

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 realized. 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.

o) Segment reporting

The Company is exclusively engaged in e-commerce activity on B2B (Business to Business) models where they sell its products to corporate customers. 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 customers in the Indian market only and does not distinguish any reportable regions within India.



p) **Earnings per Share (Basic & Diluted)**

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.

q) **Provisions**

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

r) **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.

B. Significant Disclosure:-

1. Related Party disclosure

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

a) **List of Related Parties:-**

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

- (i) Holding Company - Pantaloon Retail (India) Limited.
- (ii) Associate Company - Chaupaati Bazaar Private Limited (w.e.f. January 15, 2011)

(iii) Names of related parties where control exist and transactions have occurred (Fellow Subsidiaries)

- Future bazaar India Limited
- Future Knowledge Services Limited
- Future Media (India) Limited
- Future Mobile and Accessories Limited
- Agre Properties & Services Limited (Formerly Known as Future Merchandising Limited) (till March 31, 2010)
- Agre Developers Limited (Formerly Known as Future Mall Management Limited) (till March 31, 2010)
- Future Supply Chain Solutions Limited
- Future Value Retail Limited
- Home Solutions Retail (India) Limited
- Winner Sports Limited
- Kshitij Investment Advisory Company Limited
- Pair Retail India Limited (till January 3, 2010)
- Galaxy Entertainment Corporation Limited



b) Transaction with related parties.

Nature of Transactions	Amount with Related Party referred to	
	in-balance	
Particulars	Holding Company	Fellow Subsidiaries
Sales and Operating Income	4,616.73 (6,373.34)	237,123.66 (691,191.44)
Interest Income	6,069.35 (4,460.55)	- (-)
Purchase of Traded goods and gift voucher	310,596.76 (472,386.31)	526,918.72 (637,631.03)
Administrative selling and distribution Expenses	30,000.00 (30,488.45)	29,810.58 (9061.36)
Inter Corporate Deposit Given	230,000.00 (120,000.00)	- (-)
Inter Corporate Deposit Repaid by	119,900.00 (70,000.00)	- (-)
Outstanding Balance:-		
Receivables (including ICD Refer note 6)	110,100.00 (75,124.02)	20,816.25 (50,264.34)
Payable	533.32 (-)	(73,542.18) (10,700.32)
Interest Receivable on ICD	5,068.26 (1,001.00)	- (-)
Investment in Associates		58,682.85 (-)

Note:- Figures in () represent previous year figure.

c) Disclosure in respect of material Related Party Transactions during the year:

- (i) Sales and operating income:- Future Bazaar India Limited Rs. 204,998.12 thousand (P.Y. Rs.634,302.00 thousand)
- (ii) Purchase of traded goods and gift vouchers:- Future value retail Limited Rs.526,918.72 thousand (P.Y. Rs.103,162.29 thousand), Pairs retail Ltd Rs. NIL (P.Y. Rs.501,307.00 thousand)
- (iii) Administrative, selling and distribution expenses:- Future Supply Chain Solution Limited Rs.20,962.52 thousand (P.Y. 3,914.48 thousand), Future Knowledge services Limited Rs.7,847.71 thousand (P.Y. Rs.3,603.25 thousand).

2. 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	(Rs. In Thousand)	
	March 31, 2011	March 31, 2010
Lease Rent recognized in the Profit and Loss Account	38,517.95	23,815.07
Payable not later than one year	-	13,818.35
Later than one year but not later than five years	-	41,982.75

Finance Lease:

	(Rs. In Thousand)	
	March 31, 2011	March 31, 2010
Total minimum lease payments at the year end	45,921.90	672.65
Less : amount representing finance charges	7,010.49	125.85
Present value of minimum lease payments	38,911.41	546.80
Minimum Lease Payments :		
(i) Minimum lease payments		
Not later than one year	61,229.20	222.88
Later than one year but not later than five years	76,536.51	-
(ii) Present value of minimum lease payments for a period		
Not later than one year	47,951.45	202.95
Later than one year but not later than five years	51,823.45	-

3 Contingent liabilities:

Guarantees given by banks on behalf of the Company Rs.300.00 thousand (Previous year Rs.300.00 thousand)
There are no contracts remaining to be executed on capital account at the year end.

4 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 recognized the following amounts in Profit and Loss Account:

Particulars	(Rs. In Thousand)	
	March 31, 2011	March 31, 2010
Employer's contribution to Provident Fund	1,465.17	1,009.96

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, 2011	March 31, 2010
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)	22 Years	23 Years

A. Change in the Present Value of Obligation

(Rs. In Thousand)

Particulars	March 31, 2011 Gratuity	March 31, 2010 Gratuity
Present Value of Defined Benefit Obligation as at beginning of the period	544.68	430.77
Interest Cost	43.58	34.46
Current Service Cost	315.87	242.99
Benefits Paid	(127.53)	-
Actuarial (gain) / loss on Obligations	(306.02)	(163.54)
Present Value of Defined Benefit Obligation as at the end of the period (Un-funded)	470.58	544.68

B. Amount recognized in Profit and Loss Account (Non-Funded)

(Rs. In Thousand)

	March 31, 2011	March 31, 2010
Current Service Cost	315.87	242.99
Past Service Cost	-	-
Interest Cost	45.58	34.46
Expected Return on plan Assets	-	-
Curtailement Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognized in the period	(306.02)	(163.54)
Total Expenses recognized in the profit and loss Account	53.43	113.91

C. 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.



5 Auditor's Remuneration

(Rs. in Thousand)

Particulars	March 31, 2011	March 31, 2010
Audit Fees	725.00	590.00
Other Matters	135.00	-
Out of Pocket expenses	16.14	10.00
Total	876.14	600.00

6 Details of loans given to subsidiaries and associates and firms/companies in which directors are interested

Pantaloen Retail India Limited

Balance as at March 31, 2011 is Rs.110,100.00 thousand (previous year Rs. 50,000.00 thousand)
Maximum amount outstanding during the year Rs.230,000.00 thousand (previous year Rs.120,000.00 thousand)

7 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, 2011. Accordingly, no disclosures are required to be made under said Act and Schedule VI to the Companies Act, 1956.

8 Deferred Tax:

(Rs. In Thousand)

Particulars	March 31, 2011	March 31, 2010
Deferred Tax Asset		
Unabsorbed Depreciation	59,728.39	61,178.00
Carry forward of losses	268,272.27	175,446.00
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	24,622.49	1,110.60
Difference of lease accounting	3,501.09	-
Gross Deferred tax Asset (A)	356,124.24	237,734.60
Deferred Tax Liability		
Preliminary expenses W/off	71.86	287.22
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	-	32,779.33
Gross Deferred tax Asset (B)	71.86	33,066.55
Deferred Tax Asset (Net) (A-B)	356,052.38	204,668.05



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.

9 Investments

During the year, the company has purchased 391,219 equity shares of Chaupati Bazaar Private Limited ('CBPL') at a price of Rs 150/- per equity share (face value of Rs.1 each) for an aggregate amount of Rs. 58,682.85 thousand as per the Share Purchase agreement entered with share holders of CBPL.

Further, the Company has also entered into Demerger Agreement with CBPL, where CBPL has agreed to demerge its entire business operations, under a scheme to be with High Court under section 391-394 of Companies Act, 1956. The Demerged business will be merged with the Company at an appointed date, subject to approval of the Court.

10 Earnings Per Share

The calculation of Earnings 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, 2011	March 31, 2010
Profit / (Loss) after tax	(Rs in thousand)	(301,531.12)	(139,428.33)
Weighted average number of equity shares	(In Nos.)	23,608,380	23,608,380
Basic and diluted EPS	(In Rs.)	(12.77)	(5.91)

11 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)

Particulars	Units	March 31, 2011		March 31, 2010	
		Qty (Nos.)	Amount	Qty (Nos.)	Amount
Merchandise (Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	Nos.	925,577	253,484.33	1,327,661	577,173.04
Gift Vouchers	Nos.	7,356,326	619,562.18	4,346,046	589,113.56
Total		8,281,903	873,046.51	5,673,707	1,166,286.60



b. Purchase of Goods / Gift Vouchers

(Rs. In Thousand)

Particulars	Units	March 31, 2011		March 31, 2010	
		Qty (Nos.)	Amount	Qty (Nos.)	Amount
Merchandise (Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.)	Nos.	271,596	310,281.96	1,327,661	562,071.03
Gift Vouchers	Nos.	7,356,326	600,839.25	4,346,016	570,699.04
Total		7,627,922	911,121.21	5,673,677	1,132,770.07

c. Opening and Closing Stock

(Rs. In Thousand)

Particulars	March 31, 2011		March 31, 2010	
	Qty (Nos.)	Amount	Qty (Nos.)	Amount
Opening Stock				
- Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	740,577	2,281.94	740,577	33,051.00
- Gift Vouchers	-	-	30	177.00
Closing Stock				
- Apparels, Computer accessories, Home Décor, Kitchenware, Music and Movies, etc.	86,596	41,472.51	740,577	2,281.94

d. Value of Imports calculated on CIF basis

(Rs. In Thousand)

Particulars	March 31, 2011	March 31, 2010
Imports of Computer and Hardware materials	-	1,167.65
Total	-	1,167.65

e. Outflow in foreign currency (on accrual basis)

(Rs. In Thousand)

Particulars	March 31, 2011	March 31, 2010
Professional fees	1,037.32	16,950.45
Total	1,037.32	16,950.45

12 Preference Shares

During the year, the Company has issued 5,326,135 Non cumulative convertible preference shares series II of Rs.10 each at Rs.113 per share (including share premium Rs.103 per share). As per the shareholders agreement, preference share holder of Series II, have a right which can be exercised after the expiry of 30 months from the date of allotment to call upon promoter to purchase any or all of the securities held by him in a manner as shall be mutually agreed ("Put option"). This option will expire after 60 months from the date of allotment. The put option price shall be the fair market value of Shares as determined by the independent valuer.




- 13 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.
- 14 Previous year's figures have been regrouped where necessary to conform to this year's classification.


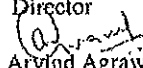
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
S.V. Ghatalia & Associates
For S.V Ghatalia & Associates
Firm Registration No.103162W
Chartered Accountants

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


per Sudhir Soni
Partner
Membership No.: 41870
Place : Mumbai
Date : June 29, 2011.




Vivek Biyani
Director

Arvind Agrawal
CFO


C.P. Toshniwal
Director



BALANCE SHEET 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.Thousand)

Public Issue
 Bonus Issue

Rights Issue
 Private Placement

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

Total Liabilities
 Sources of Funds:
 Paid up Capital
 Share Application Money
 Secured Loans

Total Assets
 Reserves & Surplus
 Unsecured Loans

Application of Funds:

Net Fixed Assets
 Deferred Tax Assets/(Liability) (Net)
 Miscellaneous Expenditure

Investments
 Net Current Assets
 Accumulated Losses

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

Turnover
 Loss before tax
 Earning per share (Rs.)

Total Expenditure
 Loss After tax
 Dividend Rate %

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

Item Code no. (ITC Code)	Product Description
9 1 0 2	W A T C H
4 9 0 1	B O O K S
6 6 0 1	U M B R E L L A

For and on behalf of Board of Directors

Place : MUMBAI
 Date : June 29, 2011

Vivek Blyant
 Director

C.P. Toshniwal
 Director

Arvind Agrawal
 CFO

