

# **Futurebazaar India Limited**

Annual Report

2010 - 11

# FUTUREBAZAAR INDIA LIMITED

Regd. Office: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East),  
Mumbai 400060 • Tel.: +91-22-3084 3100 • Fax: +91-22-6644 2201.

## BOARD'S REPORT

To,  
The Members  
Futurebazaar India Limited

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

## FINANCIALS

	<b>For the year ended 31.03.2011</b>	<b>(Rs. in lakhs) For the year ended 31.03.2010</b>
Sales & Other Operating Income	2,253.38	6,455.14
Other Income	0.32	0.39
Total Income	2,253.70	6,455.53
Expenditure (excluding depreciation)	2,248.70	6,421.39
Depreciation	Nil	Nil
Total expenditure	2,248.70	6,421.39
Profit/ (Loss) before tax	5.46	34.14
Taxes and Provisions	0	10.09
Profit/ (Loss) after tax	5.46	24.05
Earning Per Share-Basic and Diluted (Rs.)	0.03	0.13

## BUSINESS OVERVIEW, GROWTH AND EXPANSION

The Company has achieved a total turnover of Rs.2253.38 lacs during the year under review. Performance of the Company has turned around during the reporting year and witnessed a net profit of Rs.5.46. Company's portal [www.futurebazaar.com](http://www.futurebazaar.com) has been receiving tremendous response from many parts of the country. Futurebazaar provides an integrated shopping site where consumers are able to buy products from the flagship stores of the Group including eZone, Pantaloons and Big Bazaar. Futurebazaar delivers across more than 1500 cities and towns in India. Your Directors expect to maintain growth in terms of sales and profitability.

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## **DIVIDEND**

To conserve the financial resources, your Directors do not recommend any dividend for the year under review.

## **FIXED DEPOSIT**

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

## **DIRECTORS**

Pursuant to the provisions of section 255 and 256 of the Companies Act, 1956, Mr.Dinesh Maheshwari will retire at the forthcoming annual general meeting. Being eligible, he is offers himself for re-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:

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31st March, 2011;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

## **HOLDING COMPANY**

The Company is wholly owned subsidiary of Pantaloon Retail (India) Limited.

## **AUDITORS' REMARKS**

Auditors have remarked on the recognized differed tax assets, which is being explained hereunder.

1. Treatment/ recognition of deferred tax assets - According to Company's business strategies, which are applied in a planned manner, the Company would be able to make profits in coming years. Hence, the company has recognized deferred tax assets in the books.

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2. Erosion of more than fifty percent of net worth - The Company being in Retail Segment has to incur marketing and administrative cost to set up business, which is very high in initial year without having corresponding revenue resulting in erosion of net worth. Management is hopeful to recover same by increase of profitability in coming year.

## AUDITORS

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

## PARTICULARS OF EMPLOYEES

The Company has no employee drawing the salary/ remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956.

## 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.56,180/- (P.Y.Rs. 7,34,500/-.)

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

The Board would like to place on record, its appreciation to employees at all levels for their dedicated efforts.

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Your Directors also wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government authorities, clients, bankers and investors from time to time and look forward to their continued patronage in future.

For and on behalf of the Board of  
**Futurebazaar India Limited**

**Sd/-**  
**Dinesh Maheshwari**  
**Director**

Mumbai, June 29, 2011

**Sd/-**  
**Ashni Biyani**  
**Director**

**Auditor's Report**

To,  
**The Members of Futurebazaar India Limited**

1. We have audited the attached Balance Sheet of **Futurebazaar India Limited**, (the 'Company') as at **March 31, 2011**, 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 disclosure 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. *Deferred tax assets recognized by the Company in the earlier year does not meet the requirements of virtual certainty as referred to in Accounting Standard 22 on Accounting for taxes on Income as at year end and therefore such deferred tax asset should be derecognized as at March 31, 2011. Had the Company derecognized the deferred tax asset as at March 31, 2011, the accumulated loss would be higher and the profit for the year would be lower by Rs 55,996.64 thousands.*
5. Further to our comments in the Annexure referred to 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 *except for matter referred in paragraph 4 above*;
  - e. On the basis of 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

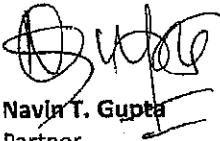


**NGS & Co.**  
Chartered Accountants

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 Act;

- f. 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 *subject to effect of the matter referred in paragraph 4 above*, 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, 2011**;
  - ii) the Profit and Loss Account, of the profit 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: June 29, 2011**

**Annexure to the Auditors' Report of even date to the members of Futurebazaar India Limited,  
on the financial statements for the year ended March 31, 2011.**

- (i) The Company does not have any fixed assets. Therefore the provisions of clause 4(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Therefore the provisions of clause 4(ii) of the Order are not applicable.
- (iii) The Company has not granted/taken any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore the provisions of clauses 4(iii)(b) to (g) of the Order are not applicable.
- (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 purchase of inventories and sale of goods. There were no transactions of purchase of fixed assets and sale of services. 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 our areas.
- (v) The Company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (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. Therefore the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and 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, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act. Therefore the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) The Company is 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. Further, no undisputed amounts payable in respect thereof were





**Annexure to the Auditors' Report of even date to the members of Futurebazaar India Limited,  
on the financial statements for the year ended March 31, 2011.**

outstanding at the year end for a period of more than six months from the date they become payable.

- (b) 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) *In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash losses during the financial year as well as preceding financial year.
- (xi) The Company has no dues payable to a financial institution or a bank or debenture holders during the year. Therefore the provisions of clause 4(xi) of the Order are not applicable.
- (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. Therefore the provisions of clause 4(xii) of the Order are not applicable.
- (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 Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any terms loans outstanding during the year. Therefore the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on 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 Act. Therefore the provisions of clause 4(xviii) of the Order are not applicable.



**Annexure to the Auditors' Report of even date to the members of Futurebazaar India Limited,  
on the financial statements for the year ended March 31, 2011.**

- (xix) The Company has neither Issued nor had any outstanding debentures during the year. Therefore the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Therefore the provisions of clause 4(xx) of the Order are not applicable.
- (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.

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

  
Navin T. Gupta

Partner  
Membership No. 40334



**Mumbai**

**Date: June 29, 2011**

Futurebazaar India Limited  
Balance Sheet as at March 31, 2011

(Rs. in '000)

Particulars	Schedule	As At March 31, 2011	As At March 31, 2010
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	191,600.00	191,600.00
<b>TOTAL</b>		<b>191,600.00</b>	<b>191,600.00</b>
<b>APPLICATION OF FUNDS</b>			
Investments	2	25.00	25.00
Deferred Tax Assets		55,996.64	55,996.64
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	3	18,050.81	23,659.46
Cash and Bank Balances	4	3,554.33	2,531.56
Loans and Advances	5	3,082.10	3,092.21
	(A)	<b>24,687.25</b>	<b>29,283.23</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	6	20,469.64	25,616.56
Provisions	7	304.54	300.12
	(B)	<b>20,774.18</b>	<b>25,916.67</b>
<b>Net Current Assets</b>	(A - B)	<b>3,913.06</b>	<b>3,366.56</b>
Profit and Loss Account		131,665.30	132,211.80
<b>TOTAL</b>		<b>191,600.00</b>	<b>191,600.00</b>
Significant Accounting Policies & Notes to Accounts	14		

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 : 29 JUN 2011



For and on behalf of the Board of Directors  
of Futurebazaar India Limited

*Dooreesham*  
[Director]

*Signi*  
[Director]

*Qrand*  
[CFO]



Futurebazaar India Limited  
 Profit and Loss Account for the year ended on March 31, 2011

(Rs. in '000)

Particulars	Schd	As At March 31, 2011	As At March 31, 2010
<b>INCOME</b>			
Turnover (Gross)			
Sales	8	225,338.41	645,513.61
Other Income	9	32.03	39.25
		<b>225,370.44</b>	<b>645,552.86</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold	10	210,568.89	622,129.05
Personnel expenses	11	347.03	309.48
Operating and other expenses	12	8,808.52	17,208.68
Financial expenses	13	5,145.64	2,491.53
<b>TOTAL</b>		<b>224,870.08</b>	<b>642,138.74</b>
Profit before tax, extraordinary and prior period items		500.36	3,414.12
Prior Period Income		46.14	-
Provision for Taxation			
Current Year Taxes		-	-
Deferred Tax charge		-	1,008.89
Total Tax Expense		-	1,008.89
<b>Profit after tax and prior period items</b>		<b>546.50</b>	<b>2,405.23</b>
<b>Net profit for the year</b>		<b>546.50</b>	<b>2,405.23</b>
Balance brought forward from previous year		(132,211.80)	(134,617.03)
<b>Loss Carried to the Balance Sheet</b>		<b>(131,665.30)</b>	<b>(132,211.80)</b>
Earnings per share (FV Rs.10/-) (Basic and Diluted)		0.03	0.13
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	14		

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

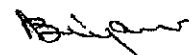


Navin T. Gupta  
 Partner  
 Membership No. 40334  
 Place : Mumbai  
 Date : 29 JUN 2011



For and on behalf of the Board of Directors  
 Futurebazaar India Limited

  
 [Director]

  
 \* [Director]

  
 [CFO]



Futurebazaar India Limited  
Cash Flow Statement for the year ended on March 31, 2011

(Rs. in '000)

Particulars	For the Year ended on March 31, 2011	For the Year ended on March 31, 2010
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and Extraordinary Items.	500.36	3,414.12
Adjustments :	-	-
<b>Operating Profit before Working Capital changes</b>	<b>500.36</b>	<b>3,414.12</b>
Adjustments for :		
(Increase) / Decrease in Trade receivables	5,608.66	235,481.61
(Increase) / Decrease in Loans and advances	10.11	43,823.05
(Decrease) / Increase in Trade payables	(4,662.90)	(63,829.06)
(Decrease) / Increase in Other payables	(479.60)	(221,262.72)
Cash generated from operations	976.63	(2,373.00)
Prior Period Income	46.14	-
Cash flow before Extraordinary items	1,022.77	(2,373.00)
<b>Net Cash from operating activities</b>	<b>1,022.77</b>	<b>(2,373.00)</b>
<b>B. Cash Flow from Investing Activities</b>		
(Increase) in investment in NSC	-	(25.00)
<b>Net Cash used in Investing Activities</b>	<b>-</b>	<b>(25.00)</b>
<b>C. Cash Flow from Financing Activities</b>		
<b>Net Cash from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash ( A+B+C)</b>	<b>1,022.77</b>	<b>(2,398.00)</b>
Cash and Cash Equivalents ( Opening Balance)	2,531.56	4,929.56
<b>Cash and Cash Equivalents ( Closing Balance)</b>	<b>3,554.33</b>	<b>2,531.56</b>

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

As per our Report of even date attached  
For NGS & Co  
Chartered Accountants  
Firm Registration No.: 119850W

  
Navnit Gupta  
Partner  
Membership No: 40334



For and on behalf of the Board of Directors  
of Futurebazaar India Limited

   
[Director] [Director]

Place : MUMBAI

Date : 29 JUN 2011

  
[CFO]



Futurebazaar India Limited  
Schedules to the Balance Sheet as at March 31, 2011

(Rs. in '000)

Particulars	As At March 31, 2011	As At March 31, 2010
<b>Schedule 1 : Share capital</b>		
<b>Authorised</b> 2,00,00,000 Equity Shares of Rs. 10/- each	200,000.00	200,000.00
<b>Issued &amp; Subscribed &amp; Paid-up Capital</b> 1,91,60,000 equity shares of Rs. 10/- each fully paid	191,600.00	191,600.00
	191,600.00	191,600.00
Out of above 1,91,60,000 equity shares of Rs. 10/- each are held by Pantaloon Retail India Limited, the holding Company		
<b>Schedule 2 : Investments</b>		
Long Term (Unquoted, Non-Trade) National Saving Certificates	25.00	25.00
	25.00	25.00
<b>Schedule 3 : Sundry Debtors</b> (unsecured, considered good)		
Debts outstanding for a period exceeding six months		
Unsecured, Considered Doubtful	13,766.69	17,365.08
Unsecured, Considered good		
Other debts	4,284.12	6,294.37
Unsecured, considered good *	18,050.81	23,659.45
	18,050.81	23,659.45
<b>Schedule 4 : Cash and Bank Balances</b>		
Balances with Scheduled banks:		
On current accounts	3,140.60	2,057.36
On deposit accounts	413.73	474.20
	3,554.33	2,531.56



Futurebazaar India Limited  
Schedules to the Balance Sheet as at March 31, 2011

(Rs. in '000)

Particulars	As At March 31, 2011	As At March 31, 2010
<b>Schedule 5 : Loans and Advances</b>		
Unsecured, Considered Good		
Advances recoverable in cash or kind or for value to be received		
- From Government Authorities	2,209.46	1,779.31
- From Others*	43.88	484.15
	<b>2,253.34</b>	<b>2,263.46</b>
Payments/ Deductions of Income Tax	828.76	828.76
	<b>3,082.10</b>	<b>3,092.22</b>
<b>Schedule 6 : Current Liabilities</b>		
Sundry Creditors	19,907.40	24,570.29
Advance from Customers	526.23	1,005.78
Other Liabilities	36.01	40.48
	<b>20,469.64</b>	<b>25,616.55</b>
<b>Schedule 7 : Provisions</b>		
Provision for Fringe Benefit Tax	294.93	294.93
Provision for Gratuity	5.25	3.38
Provision for Leave Encashment	4.36	1.81
	<b>304.54</b>	<b>300.12</b>



**Futurebazaar India Limited**

**Schedules to the Profit and Loss Account for the Year ended on March 31, 2011**

**(Rs. in '000)**

Particulars	2010-11	2009-10
<b><u>Schedule 8: Sales</u></b>		
Sales	241,836.85	651,689.29
Less: Vat/Sales Tax	(16,498.44)	(6,175.68)
Sales (Net)	225,338.41	645,513.61
	<b>225,338.41</b>	<b>645,513.61</b>
<b><u>Schedule 9 : Other Income</u></b>		
Interest Income (TDS Rs Nil; 2010: - TDS Rs. Nil)	31.13	39.23
Miscellaneous income	0.90	0.02
	<b>32.03</b>	<b>39.25</b>
<b><u>Schedule 10 : Cost of Goods Sold</u></b>		
Opening Stock	-	2,541.99
Add: Purchases	210,568.89	619,587.06
Subtotal	210,568.89	622,129.05
Less: Closing Stock	-	-
<b>Cost of Goods Sold</b>	<b>210,568.89</b>	<b>622,129.05</b>
<b><u>Schedule 11 : Personnel Expenses</u></b>		
Salaries, Wages and Bonus	336.25	303.87
Contribution to Provident and Other Funds	6.36	5.82
Gratuity and Leave Encashment Expenses	4.42	(0.21)
	<b>347.03</b>	<b>309.48</b>





Futurebazaar India Limited

Schedules to the Profit and Loss Account for the year ended on March 31, 2011

(Rs. in '000)

Particulars	2010-11	2009-10
<b>Schedule 12 : Operating and Other Expenses</b>		
Rent	-	12.99
Rates and taxes	23.75	12.75
Insurance	43.93	66.88
Legal and professional fees	493.30	1,532.33
Advertisement and Sales Promotions	12.75	739.16
Auditor's remuneration		
- Audit fee	110.30	110.30
- Tax audit fee	38.61	38.61
Bad Debts	8,041.64	3,417.03
Excess Provisions for Doubtful Advances Reversed	-	(374.09)
CENVAT Credit Written Off	-	11,420.79
Miscellaneous Expenses	44.24	231.92
	<b>8,808.52</b>	<b>17,208.68</b>
<b>Schedule 13 : Financial Expenses</b>		
Credit card charges	5,145.64	2,491.53
	<b>5,145.64</b>	<b>2,491.53</b>



**FUTUREBAZAAR INDIA LIMITED**

**SCHEDULE - 14**

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION:**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act ('The Act'), 1956. The financial statements have been prepared under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the Company.

**b) USE OF ESTIMATES**

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

Actual results could differ from those 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/ materialized.

**c) FIXED ASSETS**

**Tangible Assets:**

Fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation. Cost comprises purchase price and costs attributable to bring the asset to its location, working condition for its intended use.

**d) DEPRECIATION**

Depreciation on tangible assets is provided using straight line method at the rates prescribes under Schedule XIV of the Companies Act, 1956. Depreciation is provided pro-rata for the period of use on all additions.

**e) INVESTMENT**

Investment intended to be held for not more than a year are classified as current investment 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) INVENTORIES**

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

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

### *Shipping Income*

Shipping Income is the charges collected for delivering products to the buyers its recognition is similar to that of Sale of Goods.

### *Interest*

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

## **h) RETIREMENT AND OTHER EMPLOYEE BENEFITS**

### **Short Term Employee Benefits:**

All employee benefits falling due within twelve months of rendering the services are classified as short term employee benefits such as salaries, performance incentives, etc, are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

### **Post Employment Benefits:**

#### **a. Defined Contribution Plans:**

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

#### **b. Defined Benefit Plans:**

Company's liability towards gratuity to 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 & Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

#### **c. Other Long Term Employee Benefits:**

Other Long Term Employee Benefits viz, Leave encashment are recognized as an expense in Profit & Loss Account as and when it accrues. The Company determines the liability using the Projected 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 and Loss Account.

## **i) LEASES**

Lease payments are recognized as an expense in the Profit and Loss account as per the terms of agreement which is representative of the time pattern of the user's benefit.



**j) TAXATION**

Tax expense comprise of current and deferred tax. Current income tax is measured at the amounts expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income arising in the current year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantially 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 realized.

In situations where the company has carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

**k) EARNING PER SHARE:**

Basic earnings per share are 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.

**l) PRELIMINARY EXPENSES:**

Preliminary expenses are charged off to the Profit and Loss account as incurred.

**m) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

A provision is recognized when a company has a present obligation as a result of a 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. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.

**n) IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which the asset is impaired and the impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.



**2. NOTES TO THE ACCOUNTS**

- a) (i) Contingent Liability : Nil (2010 : Nil)  
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. Nil (2010 : Nil)
- b) Fixed Deposits with bank and NSC are under lien with Sales Tax Department.
- c) The balances of Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not expect any material variation.
- d) Sundry Debtors includes amounts due from following companies under the same management within the meaning of sub-section (1B) of Section 370 of the Companies Act, 1956.

(Rs. in '000)

Sr No.	Name of the company	As at March 31, 2011	As at March 31, 2010
1	Pantaloon Retail India Limited	5,113.86	4,682.94
		5,113.86	4,682.94

- e) Loans and advances include amounts due from following companies under the same management within the meaning of sub-section (1B) of Section 370 of the Companies Act, 1956.

(Rs. in '000)

Sr No.	Name of the company	As at March 31, 2011	As at March 31, 2010
1	Future Value Retail Limited	NIL	196.45
		NIL	196.45

- f) Details of dues to Micro, Small and Medium Enterprises as per Micros Small and Medium Enterprise Development Act, 2006.

The Company does not owe any amounts to micro, small or medium enterprise outstanding for more than 30 days. Also, 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, 2011. 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.



g) Quantitative Details for the year ended March 31, 2011

(Rs. in '000)

Category	Opening Stock		Purchases		Sales		Closing Stock	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Apparels/ General / Merchandise	-	-	925,577	210,568.89	925,577	225,338.42	-	-
<b>Total</b>	-	-	<b>925,577</b>	<b>210,568.89</b>	<b>925,577</b>	<b>225,338.42</b>	-	-
Previous Year	-	-	1,327,874	622,129.05	1,327,874	645,513.61	-	-

h) Related Party disclosures

As required under Accounting Standard (AS) 18 "Related Party Disclosure", the disclosure of transactions with the related parties are as below:

List of Related Parties

- (i) Holding Company - Pantaloon Retail (India) Ltd.
- (ii) Fellow Subsidiaries -  
 - Future Value Retail Limited  
 - Future E-Commerce Infrastructure Limited

During the year, following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in '000)

Nature of Transactions	Holding Company		Fellow Subsidiaries	
	2010-11	2009-10	2010-11	2009-10
Purchase of Traded Goods (Future E-Commerce Infrastructure Limited)	-	-	210,568.89	621,030.29
Advances Given (Future Value Retail Limited)	-	-	-	196.45
Balance outstanding as on March 31				
- Receivable Future Value Retail Limited	5,113.86	4,682.94	-	196.45
- Payable Future E-Commerce Infrastructure Limited			18,535.50	23,666.07
Future Value Retail Limited			175.03	-



i) **Deferred tax liability**

As per AS-22 on Accounting for Taxes on income, the deferred tax liability comprises of the following:  
(Rs. In '000)

Particulars	As at March 31, 2011	As at March 31, 2010
<b>Deferred Tax Assets</b>		
Unabsorbed losses, unabsorbed depreciation and disallowances.	55,996.64	55,996.64
<b>Deferred Tax Assets (Net)</b>	<b>55,996.64</b>	<b>55,996.64</b>

Note: In absence of virtual certainty, deferred tax asset on carry forward losses and unabsorbed depreciation has not been recognized.

j) **Payment to Auditors**  
(Inclusive of Service Tax)

(Rs. In '000)

Particulars	As at March 31, 2011	As at March 31, 2010
Statutory Audit Fees	110.30	110.30
Tax Audit Fees	38.61	38.61
<b>Total</b>	<b>148.91</b>	<b>148.91</b>

k) **Computation of Earnings Per Share**

Particulars	As at March 31, 2011	As at March 31, 2010
Profit / (Loss) after tax (Rs. In '000)	546.52	2,405.23
Weighted average number of equity shares outstanding during the period - Basic (Nos)	19,160,000	19,160,000
Weighted average number of equity shares outstanding during the period - Diluted (Nos)	19,160,000	19,160,000
Earnings per share of Rs.10/- each - Basic and Diluted (Rs)	0.03	0.13

l) **a. Expenditure in Foreign Currency**

(Rs. in '000)

Particulars	As at March 31, 2011	As at March 31, 2010
Professional Fees	56.18	734.50
<b>Total</b>	<b>56.18</b>	<b>734.50</b>

b. Earnings in Foreign Currency: Rs.Nil (2010:Rs.Nil)

m) **Disclosure pursuant to Accounting Standard 15 - Employee Benefits**

**Defined Contribution Plan**

Amount recognised as an expense and included in Schedule 10 under the head 'Contribution to Provident and Other Funds' of Profit and Loss account Rs. 6.36 (Rs. 5.82) thousands.



### Defined Benefit Plan

The following tables summaries the components of net benefit expense in the profit and loss account and amounts recognized in the balance sheet for the respective plans.

#### A) Change In present value of obligations.

(Rs.in'000)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligation at the beginning of the year	3.38	3.55	1.81	1.85
Interest Cost	0.27	0.28	0.15	0.15
Current service cost	1.31	1.13	0.91	0.78
Benefits paid	0.00	0.00	0.00	0.00
Actuarial (gain)/Loss	0.29	(1.58)	1.49	(0.98)
Present value of obligation at the end of the year	5.25	3.38	4.36	1.81

#### B) Recognition of Balance Sheet.

(Rs.in'000)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of Obligations as at the beginning of the year	3.38	3.55	1.81	1.85
Benefits Paid	0.00	0.00	0.00	0.00
Total Expenses Recognised in Profit and Loss Account	1.87	(1.58)	1.49	(0.98)
Present Value of Obligation as at the end of the year	5.25	3.38	4.36	1.81

#### C) Amount recognized in Balance Sheet.

(Rs. in '000)

	Gratuity Unfunded		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Present value of obligation	5.25	3.38	4.36	1.81
Less: Fair Value of the plan assets	0.00	0.00	0.00	0.00
Liability Recognised in the Balance sheet	5.25	3.38	4.36	1.81

#### D) Expenses recognised in the Profit & Loss.

(Rs. in '000)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Current service cost	1.31	1.13	0.91	0.79
Interest cost	0.27	0.28	0.15	0.15
Actuarial (gain)/Loss	0.29	(1.58)	1.49	(.97)
Net Cost	1.87	(.17)	2.55	(.04)





The principle assumptions used in the actuarial valuation are as below

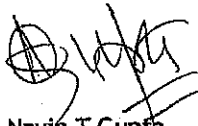
	Gratuity (Funded)		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Discounted rate (per annum)	8%	8%	8%	8%
Expected rate of future salary increase	5%	5%	5%	5%

Since the company has not funded its gratuity liability and leave encashment there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

- n) Necessary provisions are made for present obligations that arise out of events prior to the balance sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.
- o) The company is engaged only in Ecommerce business and there are no separate reportable segments as per Accounting Standard 17. The operations of the company are only within India and accordingly no disclosure is made in respect of the secondary segment.
- p) Previous Year's figures have been regrouped wherever necessary only to confirm to the current year's presentation.
- q) Additional information pursuant to para 3(a); 4C and 4D of Part II to Schedule VI of the Companies Act, 1956 has not been disclosed to the extent not applicable or nil during the year.

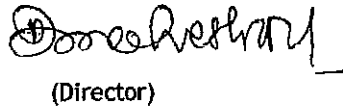
As per our report of even date  
For N G S & Co.  
Chartered Accountants

For and on behalf of the Board of Directors of  
Future bazaar India Ltd.

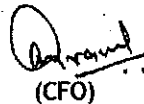


Navin T Gupta  
(Partner)  
Membership No. 40334



  
(Director)

  
(Director)

  
(CFO)

Place : Mumbai  
Date : 29 JUN 2011



# BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

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

## 1 Registration Details

Registration No. 

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 State Co 

1	1
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Balance Sheet Date 

3	1
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0	3
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2	0	1	1
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Date Month Year

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

Public Issue	Rights Issue
N I L L	N I L L
Bonus Issue	Private Placement
N I L L	N I L L

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

Total Liabilities	Total Assets
1 9 1 6 0 0 . 0 0	1 9 1 6 0 0 . 0 0
Sources of Funds:	Reserva & Surplus
Paid up Capital	N I L L
1 9 1 6 0 0 . 0 0	Unsecured Loans
Share Application Money	N I L L
N I L L	Secured Loans
N I L L	N I L L

## Application of Funds ( Amount in Thousands)

Net Fixed Assets	Investments
N I L L	2 5 . 0 0
Deferred Tax Assets/( Liability) ( Net)	Net Current Assets
5 5 9 9 6 . 6 4	3 9 1 3 . 0 8
Miscellaneous Expenditure	Accumulated Losses
N I L L	1 3 1 8 6 5 . 3 0

## 4 Performance of the Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
2 2 5 3 3 8 . 4 1	2 2 4 8 7 0 . 0 8
Profit/(Loss) before tax	Profit/(Loss) after tax
5 0 0 . 3 6	5 4 6 . 5 0
Earning per share (Rs.)	Dividend Rate %
0 . 0 3	N I L L

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

Item Code no.(ITC Code)	Product Description
8 5 2 5	M O B I L E P H O N E
9 0 1 6	C A M E R A
N . A .	G I F T V O U C H E R

For and on behalf of Board of Directors

*(Signature)*  
Director

Place : MUMBAI

Date : 29 JUN 2011

*(Signature)*  
CFO

