



MAKING
INDIA BEAUTIFUL

13 **14**

FUTURE RETAIL



annual report 2013 - 14





₹699

₹499

₹699



₹649

MAKING INDIA BEAUTIFUL

Bazaars are the window to the world outside. They satisfy our needs but also create new cravings, introduce new tastes, upgrade our palette, kitchen, wardrobes, may be our entire homes; thus changing lifestyles and in many ways making tomorrow brighter and happier.

Big Bazaar stays a step ahead so that we can offer every imagined or undiscovered taste, aspiration and desire for every customer across the country. We have re-imagined not just our stores but also almost every product-line for our customers – introducing new tastes, collections and ranges in food, fashion, home and lifestyle. In the process, we have collaborated with thousands of new and old suppliers, opening up for them new markets, possibilities and opportunities for job creation and growth. Just so that our customers get the best and brightest at the price they love.

In every way we go back to the promise to started off with, “Give to the ordinary what only the rich could afford”.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti (up to 31/10/13)
Chairman - Director

Mr. Kishore Biyani
Managing Director

Mr. Gopikishan Biyani (up to 31/10/13)
Director

Mr. Rakesh Biyani
Joint Managing Director

Mr. Vijay Biyani
Wholetime Director

Mr. S. Doreswamy
Director

Dr. Darlie Koshy (up to 31/10/13)
Director

Mr. Anil Harish
Director

Ms. Bala Deshpande
Director

Mr. V. K. Chopra
Director

CHIEF FINANCIAL OFFICER

Mr. Dinesh Maheshwari

COMPANY SECRETARY

Mr. Deepak Tanna

STATUTORY AUDITORS

NGS & Co. LLP

RISK ADVISORS

Ernst & Young Pvt. Ltd.

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannala Silk Mills Compound,
LBS Marg Bhandup (West),
Mumbai – 400 078.
Tel . No. + 91 22 2596 3838
Fax No. + 91 22 2594 6969

BANKERS

Bank of India

Axis Bank

Andhra Bank

Corporation Bank

HDFC Bank

IDBI Bank

State Bank of Travancore

UCO Bank

Standard Chartered Bank

The Federal Bank

Union Bank of India

Bank of Baroda

Allahabad Bank

Central Bank of India

Dena Bank

REGISTERED & CORPORATE OFFICE

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Investor Email

Investorrelations@futuregroup.in

Corporate Identity Number

L52399MH1987PLC044954





LETTER FROM THE MANAGING DIRECTOR

Dear Stakeholders,

Future Retail Limited's financial period 2014, of which this Annual Report aims to give a detailed picture, has been a year characterized by the great effort made by our teams throughout the country, by the achievements resulting from this work and by the challenges for the future that we have set for ourselves. The year 2013 marked the culmination of the realignment of the company's business and created a company firmly focused on growing its hypermarket and home retailing business.

The company posted a consolidated income from operations of ₹ 13,897 crore and an operating profit or Earnings before Interest, Taxes and Depreciation (EBITDA) of ₹ 1,251 crore for the fifteen months ended March 31, 2014. The company posted a profit after tax of ₹ 95 crore for the fifteen months ending March 31, 2014. The company's financial year was extended by three months to bring it in line with new regulations seeking companies to close their financial year at the end of March.

From a financial perspective what was particularly heartening was that the gross margins in the standalone retailing comprising of hypermarkets and home retailing have grown from 24.6% in the quarter-ended March 31, 2013 to 28.4% in quarter-ended March 31, 2014. From an EBITDA of 7.7% in the quarter ended March 31, 2013, the company ended the quarter of March 31, 2014 with an EBITDA of 10.5%.

Our focus for the year was on optimizing our store network and right sizing stores, thereby creating a compact store with a confident model that can deliver superior return on investments. More importantly, the company embarked on a paradigm shift towards a comprehensive upgrade of its merchandize line, category-mix and in-store spatial experience, starting with the fashion category wherein the brand fbb was created and followed by a similar exercise across food, fmcg, home fashion and homeware categories.

Looking Ahead

We are betting on the categories of tomorrow. Whether it is on food, fashion or homeware, our focus is on providing customers with better options, upgraded products and higher quality standards, of course at the price that is extremely competitive in the market.

Big Bazaar was the harbinger of change in the way many Indian's shopped and our renewed focus on upgraded merchandize provided in a superior spatial experience for customers is helping consolidate the leadership position the brand enjoys in the retail sector. I am pleased to share with you that Big Bazaar continued to feature among the top five most trusted service brands in the country in the annual survey conducted by Nielsen and The Economic Times Brand Equity. The new look, feel and merchandize range attracted new customers into the stores and existing customers to spend more within our stores. The new merchandize mix has not only helped increase average selling price and store productivity but also translated into superior margins. This coupled with a firm focus on reigning in costs, despite an inflationary environment, has helped the business move into a more profitable path.

Even though we added 20 new hypermarkets and entered eight new cities, taking our footprint to 98 cities across the country, store space rationalization and network optimization led to only a marginal increase in store space. Now with a more comfortable margin model, our focus for the forthcoming year will be on driving a higher rate of growth. While the revamp within the store is generating higher footfalls, a couple of initiatives is already bringing in new sets of customers.

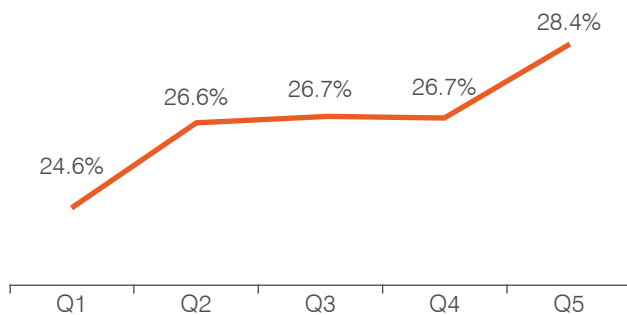
Wednesday Bazaar as a tool to acquire new customers was pioneered by your company and subsequently replicated by other chains. We have re-energized the proposition and this has already resulted in a substantial growth in footfalls. Fruits and vegetables acts as a key footfall driver. We have introduced packaged fruits and vegetables which can even

be branded tomorrow to provide a higher assurance of quality and freshness for customers. Our new fashion merchandize has attracted the attention of younger customers. We believe the brand has the potential to become the leader in the fashion space not just in terms of market share but also in terms of mind share and we are committed to actualizing this.

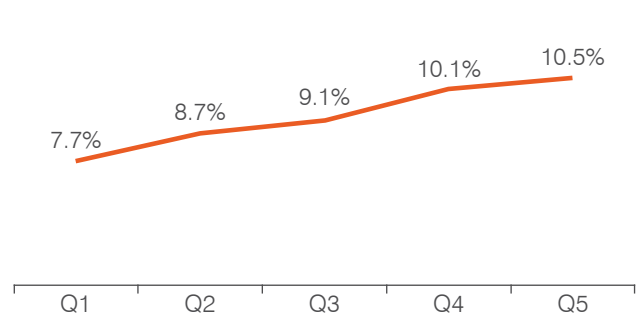
Beyond the retail business, we are happy to share with you that two of the company's key subsidiaries operating in the general insurance space and supply chain space have posted net profits for the first time this year. Both these businesses operate in a highly competitive and fragmented space and to achieve this in a difficult business environment is testament to their strength. We expect to unlock substantial value as and when we decide to monetize your company's investments in these companies.

An optimized network, efficient store operations, higher store productivity coupled with the appropriate merchandize mix has translated in better gross margins and operational.

GROSS MARGIN (%)



EBITDA MARGIN (%)



The customer loyalty programs offered at your company's retail stores are extended across all the formats of the group. During the year, the total number of customers covered by our loyalty programs crossed the 15 million mark, making it probably the largest loyalty program in the country. We have so far leveraged the loyalty programs for driving promotions and direct communication with customers. We now plan to move on to the next level wherein we aim to use the large amount of knowledge and intelligence captured through the loyalty programs to customize stores, merchandize and offerings and this again has a power to transform the business.

The Future

The world over, technology is influencing the way customers buy. However, the bigger impact is on how technology is changing the way retailers sell. The largest and the most successful retailers are focusing on omni channel retailing - wherein they are platform agnostic. In other words, omni channel retailers are equally adept at selling their merchandize on every platform – whether through physical stores, online, assisted commerce platforms, on television or outdoor medium, or on mobile platforms.

Your company too is leading this transformation into an omni-channel retailer backed by appropriate technology and a customer interface that is 'made for India.' Big Bazaar Direct - a platform wherein associates or franchisee owners can reach out to customers not catered by physical stores and book orders and collect money on customized tablets, is the first step towards this direction. It is now already present in 40 cities – many of them do not have a physical Big Bazaar store. In the days ahead, this platform can become a significant force-multiplier to our retail business. A robust technology backbone is already being developed for omni-channel retailing through partnership with SAP.

As we enter the new financial year, it is expected that economic environment can only improve from the difficult condition that it is currently in. The challenging environment that we have passed through has taught us a lot and made us a lot more resilient as an organization. It has also helped create a strong foundation for sustainable growth in the years to come. Now with a far more streamlined organizational design and a firm focus on growing the hypermarket business we are prepared to enter a new phase of growth.

Our commitment towards helping customers discover a qualitatively better lifestyle at a price they can afford, in many ways goes back to the philosophy we started off with and won Big Bazaar its early set of patrons, 'Give to the ordinary what only the rich can afford.' We believe this not only benefits our customers but also throws up new opportunities for Indian manufacturers and entrepreneurs, which in turn helps generate new jobs and income generation. Personally, I must thank each and every stakeholder of Future Retail for their invaluable contribution to the company's performance and, above all, for the fact that, thanks to their daily effort and encouragement, we can confidently step out on our new journey of 'Making India Beautiful.'

Rewrite Rules, Retain Values



Kishore Biyani

Future Retail's network now extends into 98 cities. With a pan-India network that has been optimized for operational efficiencies, Future Retail is present in almost every city where consumption is growing.

BIG BAZAAR
NAYE INDIA KA BAZAAR
164
 stores
7.82
 mn sq. ft. of area
20
 stores opened

FOOD BAZAAR
WHOLESALE PRICES
24
 stores
0.34
 mn sq. ft. of area
1
 stores opened

flbb
India's Fashion Hub
30
 stores
0.36
 mn sq. ft. of area
8
 stores opened

HomeTown
Makes life beautiful.
30
 stores
1.28
 mn sq. ft. of area
2
 stores opened

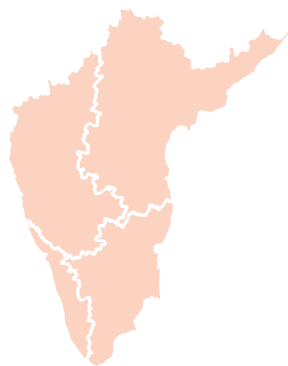
ezone
smarter living
66
 stores
0.45
 mn sq. ft. of area
34
 stores opened

Foodhall
— for the love of food —
5
 stores
87,566
 sq. ft. of area
3
 stores opened



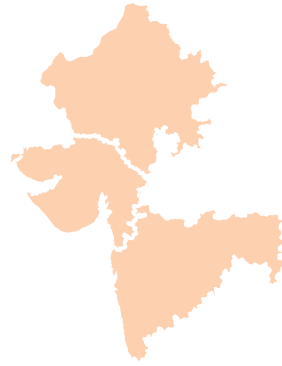
New Stores in:
Big Bazaar: Chandigarh
Foodhall: NCR
fb: Agra

- 39** Big Bazaar
- 08** eZone
- 07** Food Bazaar
- 02** Foodhall
- 05** Home Town
- 06** fb
- 01** Other
- 68** Total



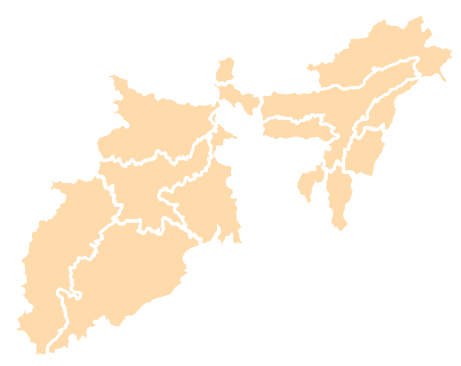
New Stores in:
Big Bazaar: Devangere, Hosur, Madurai and Mandya
eZone: Kochi

- 45** Big Bazaar
- 22** eZone
- 05** Food Bazaar
- 01** Foodhall
- 11** Home Town
- 08** fb
- 92** Total



New Stores in:
Foodhall: Pune
eZone: Nagpur, Ahmedabad
fb: Nagpur

- 44** Big Bazaar
- 23** eZone
- 09** Food Bazaar
- 02** Foodhall
- 09** Home Town
- 11** fb
- 01** Other
- 99** Total



New Stores in:
Big Bazaar: Agartala, Bhilai
eZone: Guwahati, Raipur
fb: Bhagalpur

- 36** Big Bazaar
- 13** eZone
- 03** Food Bazaar
- 05** Home Town
- 05** fb
- 62** Total



BRANDS

Big Bazaar was adjudged the 4th Most Trusted Brands amongst all brands in the services category in Nielsen-Brand Equity Most Trusted Brands Survey. Other brands in the top 5 were Airtel, Vodafone, State Bank of India and BSNL.



PROCESS

The company's growing strengths in technology implementation and smooth transition to SPA EEC 6 was recognized when Future Retail won the Best Run Award in IT (Technology Solutions) Awarded at the SAP ACE 2013 awards.



PEOPLE

Great Place To Work® Institute! has announced Future Retail among the Top 50 India's best companies to work for 2014, and among the top 5 companies to work for in the retail industry.



₹849

₹699

₹1,299

● ₹449

MAKING INDIA *'thoda aur stylish'*

At Future Retail we have completely reinvented our fashion business and this category has led the transformation of Big Bazaar during the past year. Fashion lies at the heart of Future Group's businesses and we pooled in the best and brightest of the group's resources in fashion design, merchandizing, operations, visual merchandizing and communication to recreate the entire category, the stores and create the whole new brand of fbb.

The objective was to make fbb, the fashion section within Big Bazaar, the trend setter for fashion in India by targeting the younger generation and making the designs, price points and experience relevant to this audience. The key focus areas for transforming of the fashion category at the stores was to establish leadership position in terms of customer convenience, choice or assortment, price, brand promotion and service and spatial experience. However, the biggest impact was on the product.

The design and merchandize development for what is essentially fashion for the masses comes from investing heavily in developing superior consumer insights, ethnographic understanding of different communities in India, and identifying the key culture drivers in society. Apart from a very talented and large team of designers, the team draws upon the strengths of the Future Group's companies in sociological and consumer research. These have helped the company taking early bets on certain segments and develop merchandize in segments that have not yet reached the value segment of the market. For example, this includes jeans for the women or linen shirts for men.



These were then backed by superior sourcing skills that the buying team has developed and betting on large volumes that Big Bazaar can assure, to introduce these products at price points that simply can't be matched by anyone in the market. For example, the company introduced linen shirts for men at ₹ 899 compared to ₹ 2499 to ₹ 2999 that leading brands offer. This obviously attracted new customers and opened up new markets that ensured that the throughput and revenues make fbb the market leader in the segment.

Thus it is not surprising when one checks the volume that fbb achieved. During the year, the format has been able to sell close to 1 million pieces of men's bottom wear, half of which were denims. An additional 22.5 million men's top wear were sold which included close to 13 million t-shirts. In women's category the company sold 3.5 million pieces of kurtis and 2.3 million pieces of women's mix-and-match bottoms. In addition, 20 million pieces of accessories were sold during the year, making fbb the single-largest fashion retailer in the country.

The higher through-puts also resulted in the overall mix of fashion going up, aiding significant improvement in gross margins for the store network. In the flagship, large format stores in key metros fashion mix reached commendable levels indicating the strong popularity of the designs and merchandize even in the large metros in India. At Ameerpeth in Hyderabad the share of fashion was 44%, while at the store at Maheshwari mall in the city it was as high as 70%. In Kolkata's flagship store in Chowringhee the share of fashion is 61%. The focus for fbb has been to make its merchandize relevant and attractive to every customer who walks in to the store, irrespective of income brackets. In Pune's Pimpri store for example, bill penetration has reached 50%. Higher mix of fashion is not only boosting gross margins, but also store productivity with the fashion section at Mumbai's Lower Parel store touching ₹ 44,000 sales per square feet.

An extensive and efficient plan for building the fbb brand also contributed to the higher performance of the concept. Brand association with Femina Miss India, celebrity endorsement of Shikhar Dhawan, owning festive celebrations like Durga Pujo and Diwali through aggressive marketing, local activation at every store through community fashion weeks and fashion shows with customers at the stores, using loyalty database to promote the fashion category, each step helped in strengthening the brand.

fbb no longer behaves like a hypermarket, instead it responds as a fashion destination with its own seasonal collections, first-price-right strategy bereft of any deep discounting and a shopping experience that can compete even with some department stores.

● ₹749



The company intends to continue the momentum it has achieved in the fashion category for the year ahead and has chalked out an extensive plan to further strengthen the category across every region in the country. Even as we introduce upgraded products at prices that are the best in the market, the focus will continue to be on driving higher margins, higher average selling prices, faster inventory turnaround and superior growth through higher bill penetration and footfalls for the fashion category.

During the forthcoming year, while the company intends to continue its domination in existing categories of men, women and kids wear, it is also developing new categories like infant wear and lingerie, investing further in growing the footwear category which we believe is at a point of inflection both from top line and bottom line contribution and reimagine its offering in fashion jewelry, handbags, and accessories.

While today almost the entire sales is driven through the company's own brands in the category, the company has introduced Lee Cooper Original, a value-based line from the famous British brand in the stores. This has met with a very encouraging response from customers. In the year ahead, the company plans to introduce a few casual wear brands from the Future Group stable into fbb, including RIG, Converse, UMM and Champion. This is expected to aid further growth in the brand and positioning of fbb as the 'Fashion Hub of India.'

The forthcoming SS14 Spring-Summer collection has been carefully curated and features fabulous floral looks for women complemented with delicately embroidered kurta Patiala sets and solid, checkered and striped half sleeve linen shirts for men's complemented with funky solid colored cargo shorts. There are denim polka dotted dresses, capris, slim fit jeans and checkered shirts and polo t-shirts for the trend setters and bright nautical dresses and neon and graphic printed tees for kids. Experience for yourself the reinvented fbb sections at 164 Big Bazaar stores and 30 standalone fbb stores across the country. And more standalone fbb stores are in the offing to bring the fashion hub of India closer to every Indian.





Foodhall PHOENIX MARKETCITY



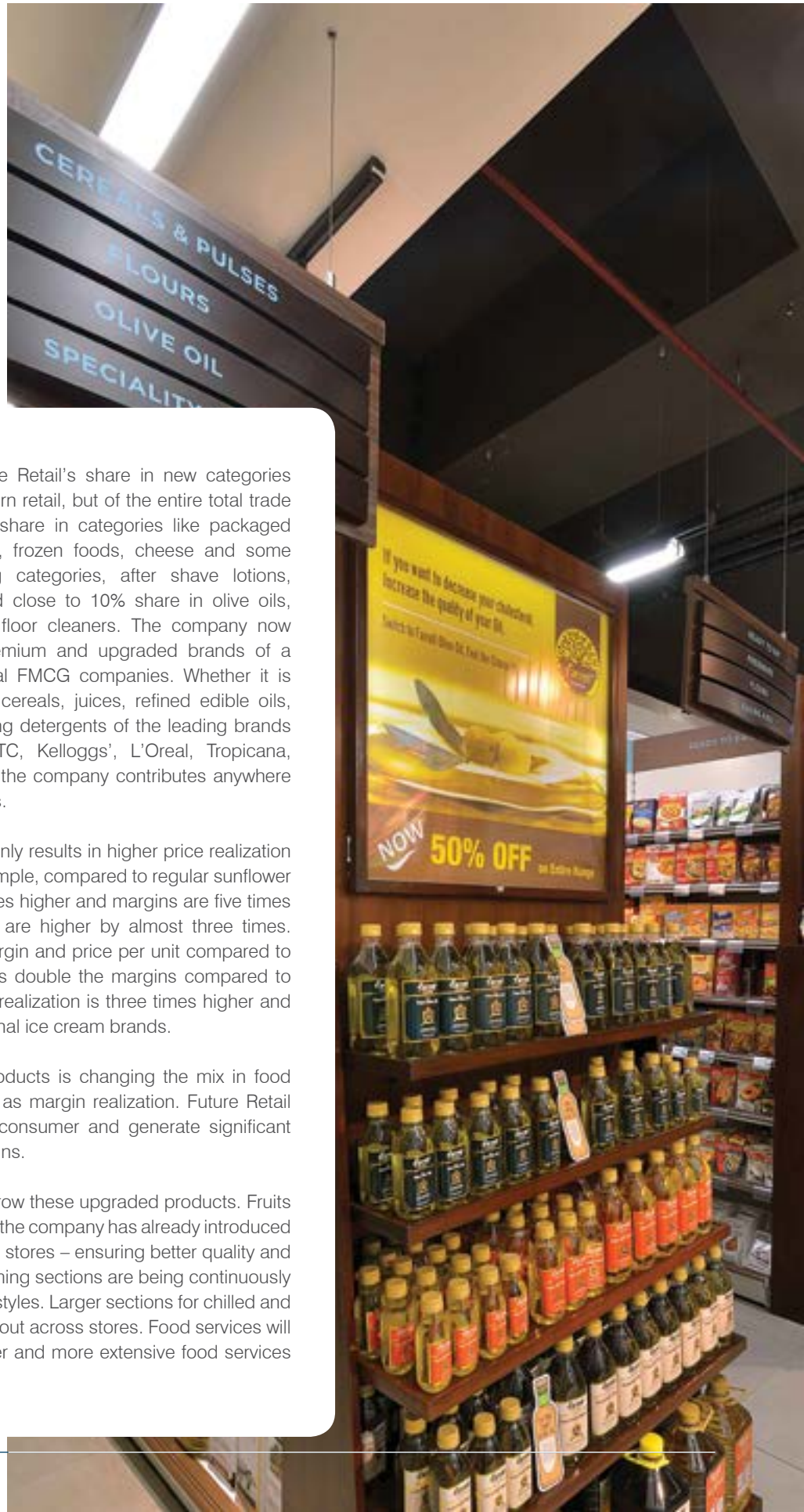
MAKING FOOD BEAUTIFUL

Get your food right! India is moving towards a more conscious and varied choice of food as it snacks on international cuisines, picks exotic vegetables and latches on to the convenience of frozen, pre-cooked or take-away food options. Across our stores, nachos are taking up space earlier exclusively devoted to chips and wafers. Pastas are placed along with noodles. And humble home-grown vegetables have exotic neighbors. Broccoli is the new cauliflower, lettuce the new cabbage and lemon grass, kiwis and olives are there in many a shopping basket. Frozen foods are showing extraordinary growth and has the potential to become a mass market category soon. Younger home makers are picking up recipes from international television food shows, the internet and from travelling across the world. New cuisines being made at home, mean expansion of the spice box and taste palate.

Move over the housewife, the kids - inspired by Masterchef Junior - and males are jostling for space within the kitchen. They are not preparing the regular meals for Indian dining. Instead, they are hooked to new cooking methods and the gadgetification of the kitchen is complete. Cooking, from being a mundane chore has shifted to a stress buster activity, a creative break and a hobby.

Our retail network has already prepared itself for this shift from unpackaged products to branded standardized products, upgraded and wider choice of brands including international foods, palate diversification and experimentation with new cuisines – whether from other parts of India or abroad, self-indulgence categories and adoption of new categories from healthier edible oil to chilled and frozen products. Category expansion, brand proliferation, growing popularity of chilled and frozen foods, and higher quality standards now being brought in through the FSSAI is moving food consumption further towards modern retail.

Cumulative annual growth for the past five years in newer categories like snack bars, meal replacements, olive oil have been over 50%, while in categories like confectionery, ice cream, noodles, pasta, soup and sweets and savories have been around 25%. The prominence of modern retail in these new categories are enormous – over 50% share in categories like packaged basmati rice, olive oil, assorted snacks and above 30% in pasta, men's grooming products, chips, wafers and nachos is captured by modern retail.



Therefore, it is not surprising to find Future Retail's share in new categories becoming a significant part of not just modern retail, but of the entire total trade in India. Future Retail has more than 5% share in categories like packaged rice, juices and nectars, breakfast cereals, frozen foods, cheese and some dairy products, diapers, certain snacking categories, after shave lotions, air fresheners, glass and toilet cleaners and close to 10% share in olive oils, packaged basmati rice, liquid soaps and floor cleaners. The company now contributes a substantial share across premium and upgraded brands of a large number of domestic and multinational FMCG companies. Whether it is body wash, shampoos, diapers, breakfast cereals, juices, refined edible oils, dairy products, snacks and premium washing detergents of the leading brands in the categories from companies like ITC, Kelloggs', L'Oreal, Tropicana, Del Monte, Procter & Gamble and Unilever, the company contributes anywhere between 5% to 25% of the total national sales.

Growth in these brands and categories not only results in higher price realization but also significantly higher margins. For example, compared to regular sunflower oil, olive oil's price per unit is almost four times higher and margins are five times higher and even for rice bran oil, margins are higher by almost three times. Similarly digestive biscuits have a higher margin and price per unit compared to plain biscuits, packaged basmati rice enjoys double the margins compared to loose rice. Imported ice cream packs' price realization is three times higher and margins almost double, compared to traditional ice cream brands.

Customer preference towards upgraded products is changing the mix in food retail resulting in higher productivity as well as margin realization. Future Retail is riding consumer trends to upgrade the consumer and generate significant improvements in store productivity and margins.

The company will continue to invest in and grow these upgraded products. Fruits and vegetables act as a key footfall driver and the company has already introduced packaged fruits and vegetables in most of its stores – ensuring better quality and freshness of products. The beauty and grooming sections are being continuously upgraded to capture new aspirations and lifestyles. Larger sections for chilled and frozen foods are being invested in and rolled out across stores. Food services will be a crucial driver in modern retail and larger and more extensive food services sections are being rolled out across stores.



The company's premium food supermarket chain, Foodhall is gaining traction and winning new customers at the premium end of the market. Located in marquee properties in Delhi, Mumbai, Bengaluru, Gurgaon and Pune, there are now 5 Foodhall stores that have earned for themselves a dedicated, discerning clientele in the most affluent neighborhoods of Indian metros. Focusing on an extraordinary customer experience, Foodhall has introduced the upwardly mobile Indian customer and expatriates to the world of international brands and cuisine. From well known global brand like Guliyan, Dorset, Whittakers', Walkers, Old El Paso, Kikkoman to exotic fruits and vegetables and an extensive live food counters, Foodhall has also emerged as the preferred retailer for premium food brands entering India.

Apart from tapping into the consumer demand at the highest end of the market, Foodhall is also helping the company identify new and emerging trends in food retail ahead of the curve and many of these learnings are helping shape the newer experience within the food sections of Big Bazaar.

The honor of generating the single, highest bill (and should be also say the longest one) for the year goes to Foodhall store located in Gurgaon. Earlier in the year, a coffee connoisseur walked in to Foodhall's specially brewed coffee counter. The customer was so impressed with the coffee he had and with the enthusiasm of the team that he started shopping. His final bill was of ₹ 321,401. The Foodhall team says the secret was in the belief that any customer can be won over with the right attitude.



MAKING YOUR HOME BEAUTIFUL

Home is where the heart is. Future Retail has upgraded its entire store network to give a new look and feel to the homes of every customer. General merchandize, homeware and hard goods retailing forms a substantial part of the company's business and in line with the store renovation and the merchandize revamps, these sections too have been given a new look and feel.

The home fashion sections within almost all Big Bazaar's have been fully renovated with a new look to align with the neighboring fashion section. New materials, designs and patterns have replaced the old across all categories within this section. New brands and products have been introduced in the cookware section. The luggage, toys and plastics sections have been upgraded to reflect the latest trends.

A bigger change has been undertaken in the electronic sections, wherein eZone cut-ins have been introduced within a number of Big Bazars in order to provide an extensive range as well as the right experience for retailing consumer durables. After a year of consolidation, eZone has expanded into newer cities including Noida, Ahmedabad, Guwahati, Kochi, Mysore, Nagpur and Raipur and new stores in Bengaluru, Hyderabad, Chennai, Mumbai, Bhubneshwar, Delhi, Gurgaon, Kolkata and Pune, taking the total number of eZone stores to 66 from 32 in the previous financial period. Even though the format went through rapid expansion, the consumer durables retailing business witnessed a turnaround during this financial period.

This turnaround was resultant of a number of factors including launching a number of new consumer initiatives that brought back consumers' trust and confidence in the brand. A new SAP CRM module was implemented to further reduce customer complaints. eZone Care, a single point assistance center backed by product warranties for all consumer electronics brand was launched. Customers can utilize eZone Care, even if they have not purchased products from us. The backend rationalization through the merger of the Big Bazaar category management team with the eZone team has also helped increased agility and efficiency in the business.

The company brought back its focus on private brand Koryo with the introduction of new high end products such as wine chillers, slow juicers, among others and this helped establish the brand across income segments and bring in high margins. The home appliances range was further expanded and strengthened through partnerships with various brands and witnessed the best performance amongst all categories.

The company has worked hard towards a complete revamp in Home Town. While the store network has been optimized and a large number of stores have been rationalized to bring down their sizes, new layouts, plannogram, merchandize and store communications have been rolled out in Bengaluru's stores in Marathahalli, Hebbal, OMR, Market City and JP Nagar, Pune's store in Ishanya Mall and the store in Noida. Home Town also opened a second store in Hyderabad city. In Lucknow the store was relocated to United Mall.

Across the board, merchandize upgradation was also undertaken in all the categories with over 100 new designs introduced in furniture category including those incorporating new trends and styles in furniture like white high gloss furniture - beds, wardrobes and dining. New brands in furnishings like Eyda, Skipper and Tangerine and in general merchandize like Libbey, Komax, DKW, Lock & Lock and Bergner were introduced. The company also launched a new brand in modular kitchen, DuraCucine in strategic partnership with Hettich. The Living Essence private brand extended its category presence into cookware, storage containers, kitchen essentials, cutlery and dinnerware.

TECHNOLOGY ENABLES OMNI CHANNEL RETAILING

Technology is the harbinger of change and plays one of the most critical roles in every retailers' business. Technology not only changes the way people shop, but its bigger impact is often on how retailers' sell. While online retailing has emerged as a key trend setter in shopping behavior, a look at the global top 50 e-retailers as compiled in Deloitte Global Powers of Retailing 2014 report shows that less than 5 of them are pure online retailers. The dominant players in technology-enabled commerce are physical retailers who are investing heavily in developing omni-channel strategies. While physical retailers retain their core competence in understanding consumer needs, sourcing efficiently, merchandising and in moving goods from producers to consumers, they are becoming platform-agnostic. They aim to become equally good on selling across platforms – whether these are physical stores, online, assisted commerce platforms, on television or outdoor medium, or on mobile platforms.

Future Retail is also leading this transformation into an omni-channel retailer backed by appropriate technology and a customer interface that is 'made for India.' Future Retail's Big Bazaar Direct, which is at a beta stage, has created a platform wherein associates or franchisee owners can reach out to customers not catered by physical stores and book orders on customized tablets. In the past nine months, Big Bazaar Direct has acted as a force-multiplier in more ways than one. It has established presence in 40 cities – most of them do not have a physical Big Bazaar store. In addition, during large promotions like SS3D sales, the company rolled out 70 trucks that travelled across the city to attract customers and place orders on Big Bazaar Direct tablets, thereby reaching out to catchments not covered by Big Bazaar.

Such innovations and future plans – for example making the store a fulfillment center for orders placed on different platforms – require next-generation technology to synchronize inventory control and manage the delivery chain efficiently. The omni-channel strategy is being developed in partnership with Zug-Switzerland based Hybris, now a SAP group company. It powers omni-channel strategies of leading consumer companies, such as, Procter & Gamble, H&M, Toys R Us and Levi's. Hybris is providing Future Retail the system architecture and products optimized for real-time, online data for products, customers, orders and inventory across all channels. It is an agile, natively omni channel, single-architecture product built on a single stack and based on open standards and optimized for multiple experiences required for multiple channels, and classes of customers. With the full implementation of Hybris in the forthcoming year, Future Retail can be among the most advanced omni channel retailers in the world.

Earlier in the year, the company also migrated its core enterprise resource planning platform from SAP ECC 5 to SAP ECC 6, making it the first large retailer in India to operate on this advanced platform. The new platform allows higher functionality, more optimized resource planning and higher levels of business support. The company also consolidated the entire in-store server room technology infrastructure into a single box – Micro Data Center. This initiative enabled optimization of the backend store space which can now be used for retail business needs. It also reduces time-to-market of new stores and unifies remote monitoring and maintenance with report and dashboards for performance management.

With the aim of improving customer experience and faster checkout, the company introduced new age scanners within its stores. These high speed scanning devices improve scanning efficiency by 40-50% thereby resulting in faster checkouts and reduced queuing. As these scanners are hands free, the cashier can be more attentive to customers.








There is only one Boss - The Customer
ग्राहक ही है हमारे लिए सबसे बड़ा - बॉस !
FSC


Rise above the ordinary
मानसिकता ही है जीत का अर्थ !
FSC



SUPPLY CHAIN EFFICIENCIES

The company's supply chain, warehousing and logistics business is led by its specialized subsidiary, Future Supply Chain Solutions (FSC). The company not only provides end-to-end logistics solutions for Future Group businesses but also has a growing list of third-party clients, a proof of the high level of expertise and efficiency the subsidiary has been able to demonstrate in the supply chain space. The company's marquee clients include Tata Motors, Reliance Communications, Hitachi, P&G, ITC, Kellogg's, Mondelez, Amway, Faber Castell, Victorinox amongst others. During the year, relationship with a major automotive client further deepened through unleashing significant operational efficiencies across unit cartonization, picking efficiency, kitting efficiency through shorter learning curve and relevant automation. FSC further consolidated its leadership in the FMCG sector by bagging the contract for Procter & Gamble's fully racked highly mechanized distribution centre in Chennai outsmarting both multinational and Indian competition.

With the objective to further improve efficiencies and make the supply chain 'GST ready' FSC has proactively triggered a massive supply chain transformation for Future Retail and group companies by shrinking a fragmented, suboptimal warehousing spread of about 4 million square feet to a highly optimized warehousing footprint of 1.4 million square feet as on March 2014. Each of the Distribution Centers of FSC blend world class technology and automation with 'made and perfected in India' processes. The outcome of the above has been supply chain efficiencies at par with global standards.

Two of the world class distribution centers include the MIHAN DC at Nagpur and the K1 DC located outside of Mumbai. The highly automated, multi-category single location facility of around 400,000 square feet in MIHAN Nagpur handled more than 500,000 pieces on peak days bringing it at par with some of the best global distribution centers. This DC has seen the successful culmination of 16 DCs into 1 over a period of two years making it a coveted supply chain transformation case.

While the Nagpur DC caters to all non-food categories, the K1 DC located outside the city limits of Mumbai is India's first and most automated distribution center for food and FMCG products. Spread over 85,000 square feet it is equipped with high-end infrastructure, automation (auto inbound and outbound weigh check, auto diverts), WMS, Put to Light (PTL) sorting system and unitized delivery with roll cages with an ability to handle around 8,000 cases or 200,000 pieces a day.

During the year, FSC also achieved the feat of being the fastest company to break into the league of the Top 5 companies in the Express Logistics space. It operates through a pan-India network of 14 Distribution Hubs connecting over 110 branches reaching over 500 districts through around 1,000 dedicated vehicles. FSC Express Logistics has established itself as an Expert Service Provider in an emerging but underserved industry sector such as Automated Teller Machines (ATMs) with almost all players such as CMS, NCR, AGS Infotech, Lipi Data Systems and Vortex being its clients. This has been possible due to the technological and process maturities which have been achieved at our end in a short time frame. Its ability to extract supply chain efficiencies is reflected in the depth of express logistics clientele across sectors such as HUL, ITC, Hitachi, Philips, Ford, Maruti, Ranbaxy, Lupin, HCL and Berger.





SEVA - BEAUTIFUL MINDS

'Retail is our religion, Customers are our Gods and Stores are our temples' – is the motto that drives the organization. While there are plenty of best practices one can follow when it comes to customer service, in order to live and breathe the above motto, we discovered that the inspiration for an Indian retailer has to come from Indian ethos. Thus was born the idea of 'Seva' as the corner stone for the organizational culture for dealing with customers, colleagues and communities.

Seva is an all pervasive emotion of India. Being able to serve as a Sevak- whether to one's country, family or the needy and vulnerable has been always perceived as a desirable act. At Future Retail, we believe that Seva that is practiced unconditionally towards all stakeholders will result in disproportionate joy, happiness and empowerment. Keeping these in mind, the Seva initiative was coined and actualized within Future Retail.

Based on this idea we defined what the characteristics of a SEVAK - Self-motivated, Empathetic, Views everyone as equal, Always positive and humble and keen to share and give. In order to build a culture of SEVA and celebrate the champions of this idea an ongoing program was rolled at every store. Those who demonstrate the characteristics through examples are celebrated and their stories captured and shared with everyone through a series titled, 'Kathavarna.' Sevak Anointments take place at every store wherein they are recognized by a Sevak badge.

In order to make Seva a movement, each store now has a seva charter, with clear action points to make Seva the culture of the store. Simultaneously, Bandhan or Seva to colleagues has been introduced, wherein senior colleagues engage with juniors to provide mentorship in order to build more trust and confidence amongst the employees. Bandhan helps connecting employees to organizational goals and values, helps to create a sense of belonging and promotes a stronger feeling of team spirit,

Today, it is not uncommon to come across stories of Seva in every nook and corner of the organization. Whether it was reopening a store in Kolkata late at night so that a new mother could buy an induction cooker to heat baby food or arranging for a home delivery of a pedestal fan to an 80-year old customer, only to find her back next morning happy and eager to buy an LCD and DVD or taking a sick customer to a hospital, our colleagues have done much beyond what was asked from them. Such acts have earned a whole new respect and admiration for our team and for the brand. It is therefore easy to understand when Yatin Sharma from Indore says, "I feel proud whenever I wear the Sevak badge and when someone asks me that what is this badge all about, it gives me immense pleasure to do more Seva. He was anointed a Sevak on December 30, 2013.

No other best practice in customer service could have earned a culture so strong and impactful.

SEVA - MAKING INDIA BEAUTIFUL

Big Bazaar stores have from the very beginning the mandate to be a positive agent of change and development in the communities and areas they operate in. Stores are known to initiate a large number community event through the calendar year that help earn the goodwill in their neighborhoods as well improve team work amongst store colleagues. More than 450 events were registered across various stores in the Future Retail network. From organizing blood donation camps and health check-up camps, to organizing visits and food donation to orphanages and senior citizen homes,

from community clean-up initiatives to raising funds for relief work during the floods in Uttarakhand, these initiatives are entirely conceived, owned and executed at the store level in order to ensure maximum impact.

A large number of stores in fact have now have set stellar examples that are emulated across the network. For example, the monthly Annasantharpane initiative that started in Mysore involved serving food by store employees to customers and in return customers





ROSHAN DONGRE

After passing his Standard XII exam, Roshan Dongre from the Thaturwada village in Narkhed taluka of Nagpur district became a daily wage earner working as a farm laborer, much like his father and two brothers. However his village sarpanch had heard about the Aajeevika project being run by Future Learning and encouraged him to join the skill development program.

Roshan completed this program at Future Learning and joined Big Bazaar. Last winter he won the 'Best Retail Employee for the West Region' at the TRRAIN awards that recognizes the best examples in customer service amongst everyone working in the retail industry.

would donate according to their wish to the cause of a chosen social organization in the area. This has now been replicated at a number of stores across the country. A large number of stores have also instituted Seva Sapthami as a ritual, wherein on the 7th of every month the stores provide a platform to a social organization from the community to leverage walk-ins for a cause. Store employees engage as volunteers to spread raise awareness about the cause championed by the social organization and help them garner support for the cause.

At an institutional level, the company has focused on improving skill levels and on manpower development amongst the unemployed youth in the country. The company along with its sister organization, Future Human Development Limited (FHDL) has partnered with the National Rural Livelihoods Mission's Aajeevika project to provide skill-based training and employment for below the poverty line (BPL) youth enabling them to get an sustainable livelihood. The project was rolled out across 19 states in the country, comprising of 120 hours of training, which includes jobs in the service and retail industry in customer facing roles, housekeeping and supply chain management roles.

More than 25,000 students have been trained till date by FHDL and each of them have been placed with various

organizations including Future Retail. Many are working with other leading corporations like McDonalds', Cafe Coffee Day, Pizza Hut, Khadims, proving the high quality of the training imparted to them.

During the year this initiative also imparted one month Retail Skill Program in Maharashtra for Schedule Caste candidates of age group 18 – 24 yrs. This was done in association with Dr. Babasaheb Ambedkar Research & Training Institute (BARTI), Pune. Around 389 candidates participated in this and 364 of them were given jobs in various organizations.

We also proud of the work that FHDL has done towards uplifting the youth of Jammu and Kashmir. Under the J&K Udaan project, the company has successfully trained 134 young people who are in need of regular employment and don't have access to career opportunities otherwise. We are now helping them being placed in various organizations.

In addition the company has started an active and conscious policy of engaging and employing those who may be physically challenged. By the end of the year there were 42 employees who were physically challenged and excelled in their job roles within Future Retail.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

The year 2013-14 saw the emergence of Future Retail Limited as a pure play retail Company focusing on hypermarket, electronics and home businesses. The Company completed the amalgamation of value and home businesses into one single entity, completed various realignment initiatives along with the sale of its non-core assets. The Company commenced divestment of its non-core retail investment in previous financial period with sale of its consumer finance Company to a leading private equity player. Further Company also sold a part of its stake in its life insurance venture. The management expects to exit the remaining stake in the remaining non-core entities which shall be value accretive to the Company. This has resulted in a simplified entity structure and consolidation of operations. These steps taken by the management will provide better returns in form of improved profitability, increase economic value of businesses, improve overall stakeholders' satisfaction and further help in better governance and compliance.

During the period, the Company continued to remain cautious on store network expansion and focused on driving growth through higher productivity and enhancing profitability through higher efficiencies of its existing network. The Company expanded its presence across its formats in existing and new cities with the aim of increasing productivity and profitability, the focus is on increasing footfalls, customer ticket sizes and sales of high margin categories. Through an upgraded product mix across categories at attractive price points and various promotional events, the Company is successful in attracting new customers to our stores and also enhancing the shopping experience of existing customers.

Operational Overview

The Company's focus on optimizing the store network, increasing store efficiencies along with higher store productivity and upgraded product offering resulted in higher operating margins.

The re-invention of the fashion business has led to the complete transformation of Big Bazaar. With the aim of building to connect with the youth, fbb created a strong product line with extremely competitive pricing. This strategy resulted in higher margins over the last five quarters. Even in the food segment, the Company focused on newer and upgraded categories offering customers a wider choice resulting in higher revenue realization per customer. The home segment including furniture, home furnishing and electronics underwent a revamp during the period. Leveraging Big Bazaar network to grow the electronics business witnessed a turnaround and rapid expansion.

The Company undertook various initiatives to strengthen its technology platform at the store level as well as at the back end. This resulted in improved efficiencies at the store level through faster check-outs for customers, optimized resource planning, and reduced time-to-market of new stores.

Customer and Marketing Overview

During the period, the Company carried out various activities and promotional events to engage with the customers across formats. The re-energized weekly promotional event, Wednesday Bazaar resulted in higher footfalls during mid-week. The revamped store network was successful in attracting new customers.

Taking forward the message '**Let's make India Thoda Aur Stylish**', team fbb has designed a massive campaign. The association of fbb with Femina Miss India 2014 and celebrity endorsement of Shikhar Dhawan created a perfect platform for the brand in highlighting its chic and high street fashion wear collection promising to deliver latest and fresh fashion for its customers at affordable prices.

This financial period ended with the launch of "**Making India Beautiful**" campaign for Big Bazaar stores. The focus will be on celebrating newer categories in the hypermarket segment. The campaign celebrates aspirational and premium categories which are expected to and will deliver higher sales and profitability in the next financial year.

The Company operates one of the largest loyalty programs in India with over 15 million members across its formats. This program is leveraged for driving promotions and direct communication with customers offering customized merchandise.

During the period, the Company's flagship format, Big Bazaar was adjudged as the fourth Most Trusted Brand in the services category, in a consumer survey done by global market research firm, The Nielsen Company. Among the other brands in the top five were Airtel, Vodafone, State Bank of India and BSNL.

Competition

With presence in 98 cities, the Company has built a strong presence in the key consumption centers. At the same time, we continued to register our presence in fast growing cities across the country. The Company also has a formidable, scalable and mature business hence the competitive pressure, especially at the national level, in the hypermarket business continues to be feeble. The Company's vast experience, strong sourcing abilities, a strong portfolio of private brands and loyalty programs are expected to provide a fundamentally stronger position to face competition.

Human Resource Initiatives

The Company believes in creating a culture and environment that allows its people resources to best utilize their skills, knowledge and leadership abilities and collectively excel in serving the customers. The Company carries out various programs of learning and development of its employees to groom them to take up higher responsibilities. The focus has been on creating an environment of continuous learning and development. These programs also lead to increased accountability and authority of

the employees enabling them to drive growth and profitability. The Company has achieved continued success in attracting the best talents from the industry and creating a confident and committed team. At the same time, the Company continued to invest heavily in training and development in order to meet the growing needs of its business.

For the year 2014, Future Retail was considered to be amongst the Top 50 India's best companies to work for by the Great Place To Work Institute.

Business Outlook

With political clarity emerging, the business and consumer confidence is expected to improve. In the new financial year, geared with a streamlined organizational design, the Company intends to grow its retail businesses. The Company expects that with improvement in consumer sentiment and increased consumer spending will enable the growth momentum. The management continues to be cautiously optimistic towards the external economic environment and expects consumer demand to become more consistent and robust in the forthcoming financial year.

The various steps taken towards divestment of non-core assets and consolidation of retail business helped building a focused retail organization with the strong foundation. This has given confidence to the Company to pursue a higher rate of store network expansion in existing and new consumption centers.

The Company has launched an omni-channel strategy enabling it to reach out to customers that are not catered by the current store network. This platform will act as a further growth channel for the Company. This channel will grow leveraging the existing store network, current supply chain set-up and technology platform.

Within its retail business, a number of initiatives focusing on increasing productivity and profitability of stores, an upgraded merchandize mix, streamlined supply chain and distribution, increased investments in technology, customer engagements, loyalty programs and improving the customer experience, has already started to show results.

Risks and Threats

The state of external environment, including factors like interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any further slowdown in the economic activity in the country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company. Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, the steps taken by the Company during this financial period, including deleveraging the balance sheet, focusing on its core competence of its retail business, improvement in efficiency and productivity of its existing operations, capturing new class of customers and

ensuring higher spends from its existing set of customers are aimed at mitigating each of these risks.

The set standards and policies and defined responsibilities at each level of management ensure that risk of execution and management is minimized. Further the standards and policies set are reviewed on regular basis and revised as per the requirements to further minimize the risk. Use of information technology for implementation and execution of various functions ensures that the risk of execution is minimized further.

Internal controls and their adequacy

The Company had identified the key risks and control process to mitigate the same. The Company continues this process of Enterprise Risk Management as a continuing process, in order to identify the new risks and to define and establish the control process to mitigate the identified risks. Further the Internal Control Framework for financial reporting, organization structure, documented authorities & procedures and internal controls are being reviewed by internal audit team on continuous basis and any issues arising out of the said audit are addressed appropriately. The Company is continuously upgrading its internal control systems by measuring state of controls at various locations. Controls in SAP, an ERP system have been strengthened with help of review conducted by Ernst & Young.

The Audit Committee, comprising independent directors is involved in regular review of financial and risk management policies, including borrowing limits & revision of the same, significant audit findings, the adequacy of internal controls and compliance with the accounting standards.

Review of Financial Performance of the Company for the period under review.

The financial performance of the Company for the period under review was not comparable to the previous financial period for the following reasons.

- a. The previous period accounts comprise of financial performance of Pantaloons Fashion Business and Fashion Business for the entire financial period of eighteen months before same has been removed from the financial performance of the current financial period pursuant to Pantaloons Format Scheme and Fashion Scheme (as defined in the Directors Report) becoming effective.
- b. Further value retail business which was operated by Future Value Retail Limited (FVRL), wholly owned subsidiary of the Company till the previous financial period is part of the financial results of the Company in the current financial period pursuant to the Retail Scheme (as defined in the Directors Report) becoming effective.
- c. The previous period of accounts was for eighteen months period, whereas the current financial period is of fifteen months period.

Sales

The Company's Sales and Other Operating Income has increased from ₹ 6,987.73 Crores to ₹ 11,577.44 Crores with YOY growth of 98.82% for fifteen Months period ended March 31, 2014. The Company has also recorded Same Store Sales growth of 5.8% for fifteen months period ended March 31, 2014.

Profit before Tax

Profit before Tax (including exceptional items) of the Company for fifteen months period ended March 31, 2014 stood at ₹ 1.27 Crores as compared to ₹ 288.32 Crores during the previous financial period.

Interest

Interest & Financial charges outflow has increased from ₹ 460.41 Crores in previous period to ₹ 692.54 Crores for fifteen months period ended March 31, 2014. The increase in interest and financial charges is on account of additional borrowings, transfer from FVRL merger, funding the growth plans and increase in rate of interest during the period.

The interest & financial charges cover for fifteen months period ended March 31, 2014 under review is 1.59 times as compared to 2.30 times in the preceding financial period.

Net Profit

Net Profit (including exceptional items) of the Company for fifteen months period ended March 31, 2014 under review stood at ₹ 2.81 Crores as compared to ₹ 273.26 Crores in the previous financial period with a decrease of ₹ 270.45 Crores.

Dividend

The Company has proposed a dividend of ₹ 0.60 (30%) per equity share. The dividend would be payable on all equity shares of the Company including Class B Shares. Class B Shares would be entitled to 2% additional dividend as per the terms of issue of Class B Shares (Series 1).

Capital employed

The capital employed in the business is ₹ 9,519.59 Crores as at March 31, 2014. Return on capital employed during 2013-14 is 10.75% as compared to 12.05% during 2011-12.

Surplus management

The Company generated a cash profit of ₹ 405.36 Crores for fifteen months period ended March 31, 2014 as compared to ₹ 593.06 Crores in the previous financial period, registering the de-growth of 17.98%. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from additional funds borrowed during the financial period.

Equity Share Capital

There is no change in the equity share capital of the Company and it has remained at ₹ 46.32 Crores.

Debt-equity

Debt-equity ratio of the Company has increased with the additional funds borrowed for the expansion of the retail operations of the Company. Debt-equity ratio has increased from 1.06 in the previous period to 1.93 as at March 31, 2014.

Earnings Per Share (EPS)

The Company's Basic Earnings per Share (EPS) has reduced from ₹ 12.08 to ₹ 0.12 per share for fifteen months period ended March 31, 2014.

Cash Earnings Per Share (CEPS)

The Company's Cash Earnings Per Share (CEPS) has reduced to ₹ 17.50 in compare to ₹ 26.22 in the preceding financial period.

Investment

The Company's investment portfolio has reduced from ₹ 2280.23 Crores to ₹ 1349.52 Crores for fifteen months period ended March 31, 2014. The reduction in investment during the financial period is mainly due to sale of investments, merger and demerger of business.

Note: 1. All Profit & Loss account numbers for fifteen months period ended March 31, 2014 have been annualized to calculate year on year growth on 2011-12 (18 Months) numbers.

2. Financial numbers for the period ended March 31, 2014 are for the period of fifteen months hence not comparable with that of previous financial period of eighteen months.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Twenty Sixth Annual Report together with the Audited Statements of Accounts for the period ended March 31, 2014.

FINANCIAL HIGHLIGHTS

The operating results of the Company for the period under review are as follows:

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
	(₹ in Crores)	
Sales (Net of Taxes)	11,336.16	6,771.78
Other Operating Income	241.28	215.95
Other Income	27.74	27.70
Total Income	11,605.18	7,015.43
Profit before Depreciation, Exceptional Items & Tax	374.95	343.59
Less: Depreciation	404.34	311.87
Profit before Tax	(29.39)	31.72
Exceptional Items	30.66	256.60
Less: Earlier Year's Income Tax	-	-
Less: Provision for Taxation	(1.54)	15.06
Profit after Tax	2.81	273.26
Add: Profit brought forward from previous year	654.07	506.35
Surplus available for appropriation	656.89	779.61
APPROPRIATION		
Excess Provision Reversal of Tax on Dividend	-	(0.85)
Pursuant to the composite schemes of arrangements	451.62	-
Debenture Redemption Reserve	120.00	69.38
Proposed Dividend	13.97	25.54
Proposed Dividend on Preference Share	-	-
Provision for Dividend Tax	2.37	4.14
Transfer to General Reserve	0.28	27.33

REVIEW OF PERFORMANCE

The performance review is for the financial period of fifteen months pursuant to extension of the present accounting period by three months. In the current financial period we mark beginning of a new innings and laying the foundation for the Company's future, as major realignment initiatives of the Company have been achieved. The Company has also changed its name to Future Retail Limited from its earlier name, viz. Pantaloon Retail (India) Limited. The Company is now operating in hypermarket and home business including Big Bazaar, Food Bazaar, fbb, Home Town and eZone.

We are pleased to inform you that the Retail business of the Company has been showing growth trend during the financial period under review. The Company is now present in hypermarket segment and home business and for the period under review recorded growth through increase in presence in various cities. Income from operations for the financial period under review were at ₹ 11,577.44 crores which was at ₹ 6,987.73 crores during the financial period of 2011-12. PBDIT excluding exceptional items, stood at ₹ 1,067.49 crores in during the financial period of 2013-14, which was at ₹ 804.00 crores in the previous financial period. PAT for the financial period under review was ₹ 2.81 crores, which was at ₹ 273.26 crores for the

preceding financial period. Due to various realignment exercises undertaken by the Company and different duration of the current and previous financial period, the current financial period result is not comparable with the previous financial period, which was of eighteen months.

During the financial period 2013-14, the Company is operating through 10.36 million square feet of retail space, spread over pan India basis.

SCHEME OF ARRANGEMENT:

As part of realignment exercise, the Company has given effect to three Schemes of Arrangement during the financial period under review, detail of which are given hereunder:

1. Scheme of Arrangement between the Company and Pantaloon Fashion and Retail Limited.

Pursuant to the approval of the members at the Court Convened Meeting held on December 06, 2012, the Company filed petition with the Hon'ble High Court at Bombay for demerger of Pantaloon Format Business to Peter England Fashions and Retail Limited now known as Pantaloon Fashion and Retail Limited (PFRL). The demerged undertaking comprises of Company's business under the name "Pantaloon" together with all assets, liabilities, brands etc. attached to the said Brand.

Your directors are pleased to inform that the demerger of Pantaloon Format Business Scheme has been approved by the Hon'ble High Court of Judicature at Bombay on March 1, 2013, and thereafter on filing of the certified copy of the court order with Registrar of Companies, Maharashtra, Mumbai, on April 8, 2013, the entire assets and liabilities pertaining to Pantaloon Format Business were transferred and stand vested, as a going concern, in the PFRL effective from July 1, 2012 ("Appointed Date").

Pursuant to the approved scheme, PFRL, without any further application or deed, issued and allotted shares, credited as fully paid up, to the extent indicated below, to the members (including Class B (Series 1) shareholder) whose name appeared in the Register of Members of Company as on the Record Date (April 18, 2013) or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

"1 (One) fully paid Equity Share of ₹ 10/- (Rupees Ten Only) each of PFRL for every 5 (Five) Equity Shares of ₹ 2/- (Rupees Two) each held in the Company.

1 (One) fully paid Equity Share of ₹ 10 (Rupees Ten Only) each of PFRL for every 5 (Five) Class B (Series 1) shares of ₹ 2 (Rupees Two) each held in the Company."

Fractional entitlement arising out of the aforesaid allotment were consolidated and allotted to one of the persons nominated by PFRL Board. Sale Proceeds of these shares

was distributed to shareholders who were entitled to such fractional shares. The shares of the PFRL were listed on the Stock Exchanges after compliance with the requirements of the stock exchanges and regulatory authorities.

2. Composite Scheme of Arrangement and Amalgamation between PRIL (FRL), FVIL(FCEL), LEE, ILCL and FLFL

The Composite Scheme of Arrangement and Amalgamation between Pantaloon Retail (India) Limited (now known as - 'Future Retail Limited') and Future Lifestyle Fashions Limited (FLFL) and Indus-League Clothing Limited and Lee Cooper (India) Limited and Future Ventures India Limited (now known as - 'Future Consumer Enterprise Limited') (FCEL) and their respective shareholders and creditors ("the Fashion Scheme") under the provisions of sections 391-394 of the Companies Act, 1956 for demerger of respective fashion format business of the Company (Fashion Format Business) and FCEL with effect from Appointed Date of January 1, 2013, as defined in the Fashion Scheme, has been given effect on May 29, 2013, after receipt of High Court approval. Pursuant to the same, all the assets and liabilities pertaining to the Fashion Format Business has been demerged and vested in FLFL. Accordingly, the shares of FLFL have been issued to the shareholders of the Company as on the June 25, 2013 as stated in the Fashion Scheme, as per entitlement ratio of 1 (One) fully paid Equity Share of ₹ 2/- (Rupees Two Only) each of FLFL for every 3 (Three) Equity Shares &/or Class B (Series 1) Share of ₹ 2/- (Rupees Two) each held in the Company.

Fractional entitlement arising out of the aforesaid allotment were consolidated and allotted to one of the persons nominated by FLFL Board. Sale Proceeds of these shares was distributed to shareholders who were entitled to such fractional shares. The shares of the FLFL were listed on the Stock Exchanges after compliance with the requirements of the stock exchanges and regulatory authorities.

3. Scheme of Amalgamation between the Company and Future Value Retail Limited

During the period under review, the Board of Directors of the Company approved the amalgamation of Future Value Retail Limited (FVRL) with the Company pursuant to the Scheme under Sections 391-394 of the Companies Act, 1956 with effect from Appointed Date of July 1, 2012 ("the Retail Scheme"). FVRL is wholly owned subsidiary of your Company having core retail business formats like Big Bazaar, Food Bazaar etc. The Retail Scheme for merger of FVRL with effect from July 1, 2012, has been approved by Hon'able High Court of Judicature at Bombay on January 31, 2013 and scheme has been made effective upon filing of the certified copy of court order with Registrar of Companies, Maharashtra on February 11, 2014. Pursuant to the Retail Scheme all the assets and liabilities of FVRL was merged and vested in the Company.

The Company issued debentures as stated in paragraphs given hereunder for the debentures held by investors in FVRL. No shares were issued as 100% of capital in FVRL is held by the Company.

4. Divestment of stake in Future Generali India Life Insurance Company Limited

On December 17, 2013, the Company divested part of its stake in one of its Insurance joint venture company, Future Generali India Life Insurance Company Limited as a part of Company's strategy to focus on retail segment. At the end of the financial period ended March 31, 2014, your Company directly holds 3% stake in Future Generali India Life Insurance Company Limited.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 0.60 (30%) per equity share (previous financial period ₹ 1.10 (55%) per equity share) and dividend of ₹ 0.64 (32%) per Class B share (Series 1) (previous financial period ₹ 1.14 (57%) per Class B Share (Series 1) for the financial period ended March 31, 2014. The said dividend shall be subject to the approval of the members at the ensuing annual general meeting.

The dividend, if approved by the shareholders in the Annual General meeting shall be based on the paid up share capital as at the date of this report, entail a payout of ₹ 16.34 crores including dividend distribution tax of ₹ 2.37 crores. The dividend is free of tax in the hands of the shareholders.

EQUITY SHARE CAPITAL

Paid-up Share Capital

Equity Capital

After the completion of the financial period under review, pursuant to the approval of members through Postal Ballot and Employees exercise their options the Company issued and allotted 2,17,594 equity shares of ₹ 2/- each to Employees under ESOS 2012 Scheme on April 29, 2014.

After above allotments, the paid up equity share capital as on date ₹ 46,36,00,370 divided into 21,58,71,033 equity shares of ₹ 2/- each and 1,59,29,152 Class B (Series-1) Shares of ₹ 2/- each.

DEBENTURES

Pursuant to the scheme of Amalgamation and Arrangement of Future Value Retail Limited (FVRL), a wholly owned subsidiary company with the company under the provisions of section 391-394 of the Companies Act, 1956 for merger of FVRL with effect from Appointed Date of July 1, 2012 after receipt of approval of Hon'able High Court of Judicature at Bombay on January 31, 2013 and scheme has been made effective upon filing of the certified copy of court order with Registrar of Companies,

Maharashtra on February 11, 2014. Pursuant to the same Compulsorily Convertible Debentures (CCDs) of ₹ 150 crores and Optionally Convertible Debentures (OCDs) of ₹ 250 crores issued by FVRL transferred to the Company.

During the period under review, the Company has raised long term funds through Non-Convertible Debentures aggregating ₹ 275 crores. The funds raised were utilised for the objects as stated at the time of raising of funds.

FIXED DEPOSITS

The Company has not accepted any Deposits during the period under review.

REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance together with Auditors certificate as required under clause 49 of the listing agreement has been included as an enclosure to this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management discussion and analysis as required under clause 49 of the listing agreement has been dealt with extensively as part of this Annual Report.

THE FUTURE

The focus on strengthening core competency in core retail operations, by optimising store network, improving store productivity by increasing store efficiency through upgraded high margin product offering and rationalising the operating area.

Introduction of reinvented fbb product mix, ensured availability of the fashion products for the youth and other customer categories at highly competitive pricing. In food segment as well the new categories offered customers multiple choices resulting in better turnover. Similarly other categories such as furniture, home furnishing and electronics also offered revised product mix, giving choice of hot and current products to customers. The Company also introduced the certain customer centric initiative resulting in addition of the new customer categories.

Further various realignment and divestment initiative, ensured reduced debt burden on the Company resulting in overall reduction in finance cost. In addition to the above, certain strategic management changes made during the financial period under review would result in further cost reduction and thereby contributing to the profitability in the years to come.

SUBSIDIARY COMPANIES & JOINT VENTURES

SUBSIDIARY COMPANIES (In Alphabetical Order)

The Company has following subsidiaries (including step down subsidiaries) as at the end of financial period ended March 31, 2014.

FSC Brand Distribution Services Limited

FSC Brand Distribution Services Limited (FSCBDSL) was incorporated to deal in the business of distribution services. FSCBDSL is subsidiary of Future Supply Chain Solutions Limited, another subsidiary of the Company and accordingly is step down subsidiary of the Company. The Company has earned revenue of ₹ 5.69 Crores & incurred net loss for ₹ 4.29 Crores during the period ended March 31, 2014.

Future E-Commerce Infrastructure Limited

Future E-Commerce Infrastructure Limited (FECIL) is to capture the consumption space through the internet, as well as other technology based and digital modes and provide infrastructure services for the same. The Company has 70.43% stake in FECIL. The Company also has Convertible Preference Shares, which has not yet been converted into equity shares. During the period ended March 31, 2014, FECIL registered income from operations amounting to ₹ 61.88 Crores and the net loss stood at ₹ 21.20 Crores.

Future Freshfoods Limited

Future Freshfoods Limited (FFL) is a company which caters to the sourcing and supply of fresh food products to retail formats of the group. FVRL was holding company of FFL holding 79.17% of equity capital in FFL. The Company acquired the balance shares held by other shareholders in the Company and with merger of FVRL with the Company, FFL became 100% subsidiary of the Company. During the period ended March 31, 2014, FFL registered income from operations amounting to ₹ 0.05 Crores and net loss stood at ₹ 0.44 Crores.

Future Home Retail Limited

Future Home Retail Limited (FHRL) has been created as subsidiary with the objective to transfer the retail electronic and consumer durable business from PRIL. During the period ended March 31, 2014, FHRL registered total income of ₹ 0.01 Crore and net loss of ₹ 0.0007 Crore.

Futurebazaar India Limited

Futurebazaar India Limited (FBIL) is set up as the e-Retailing arm of the Future Group for providing on-line shopping experience through e-portal www.futurebazaar.com. Your Company holds 100% in FBIL. FBIL is successfully operating its e-retailing business and during the period ended March 31, 2014, it has registered income from operations amounting to ₹ 22.33 Crores and its net loss stood at ₹ 0.82 Crores.

Future Knowledge Services Limited

Your Company holds 100% in Future Knowledge Services Limited (FKSL) which has a net loss of ₹ 3.66 Crore as on March 31, 2014.

Future Learning and Development Limited

Your Company holds 100% in Future Learning and Development Limited (FLDL) which has during the period ended March 31, 2014 registered total revenue of ₹ 0.10 Crore with net loss of ₹ 1.75 Crore.

Future Media (India) Limited

Future Media (India) Limited (FMIL) is the Group's media venture, aimed at creation of media properties in the ambience of consumption and thus offers active engagement to brands and consumers. FMIL offers relevant engagement through its media properties like Visual Spaces, Print, Radio, Television and Activation. Your Company has 93.10% stake in FMIL. The Company also has Convertible Preference Shares, which has not yet been converted into equity shares. During the period ended March 31, 2014, FMIL registered income from operations amounting to ₹ 57.40 Crores and the net loss of ₹ 14.19 Crores.

Future Supply Chain Solutions Limited

Future Supply Chain Solutions Limited (FSCSL) is designed to operate in the logistics, transportation, distribution and warehousing space. FSCSL provides solutions in the areas of integrated Supply Chain Management, warehousing, distribution and Multi Modal transportation. Your Company has 70.17% stake in FSCSL. FSCSL has warehousing space of 2.7 Million square feet spread over all across India. The company is currently building large scale warehousing facilities and also increasing its presence in 3PL logistics solutions. During the period ended March 31, 2014, FSCSL registered income from operations amounted to ₹ 521.34 Crores and the earned net profit of ₹ 9.33 Crores.

Home Solutions Retail (India) Limited

Home Solutions Retail (India) Limited (HSRIL) was incorporated to operate in the home and hard goods consumption space. Your Company has 66.86% stake in HSRIL. During the period ended on March 31, 2014, HSRIL registered an income from operations of ₹ 0.05 Crores and net loss of ₹ 1.05 Crores.

nuZone Ecommerce Infrastructure Limited

nuZone Ecommerce Infrastructure Limited (NEIL) has been created as subsidiary with the objective to transfer the wholesale and sourcing business related to electronic and consumer durable business from PRIL. During the period ended March 31, 2014, NEIL has a net loss of ₹ 0.0009 Crore.

Office Shop Private Limited

Office Shop Private Limited (OSPL) was incorporated to deal in the business of distribution services. OSPL is 100% subsidiary of SFOPPL and accordingly, is step down subsidiary of the Company. The company has earned revenue of ₹ 59.42 Crores & incurred net loss for ₹ 5.20 Crores during the period ended March 31, 2014.

Staples Future Office Products Private Limited

Staples Future Office Products Private Limited (SFOPPL) is designed to capture the consumption space of office supplies, office equipments and products. SFOPPL was formed as a Joint Venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA) Your Company has 60% Stake in SFOPPL. During the period ended March 31, 2014, SFOPPL registered income from operations amounting to ₹ 160.34 Crores and the net loss stood at ₹ 15.75 Crores. Your Company has acquired a part of the stake from Staples Asia Investment Limited by which SFOPPL became subsidiary of your Company.

Winner Sports Limited

Winner Sports Limited (WSL) is a wholly owned subsidiary of the Company. At present the WSL does not have any operating business and management is evaluating various business opportunities. During the period ended March 31, 2014, WSL registered net loss of ₹ 0.02 Crore.

Companies which moved out of subsidiary status

Future Agrovet Limited (subsidiary upto 11-11-2013)

Future Agrovet Limited (FAL) is to strengthen sourcing and distribution of staples and other food products for the Company. FAL has sourcing and distribution bases at all key cities across the country. The Company was holding 96.16% stake in FAL. The Company divested the stake in FAL, which has been taken over by another group company, Future Consumer Enterprise Limited with effect from November 11, 2013. Due to divestment within the group, it is ensured that various food formats of the Company continue to get supply of staples and other food products from FAL.

Future Lifestyle Fashions Limited

Future Lifestyle Fashions Limited (FLFL) was incorporated on May 30, 2012 and was wholly owned subsidiary of your Company. With a view to dedicated focus on fashion business, comprising of Central, Brand Factory, Planet Sports etc. of your Company and identified fashion business of Future Consumer Enterprise Limited (earlier known as - Future Ventures India Limited) (FCEL), was demerged and vested with FLFL under the provisions of section 391-394 of the Companies Act, 1956 and was effected on May 29, 2014. Pursuant to the terms of the Scheme, FLFL has issued equity shares to the shareholders of the Company and FCEL and thereby moved out of the subsidiary status of the Company.

Future Value Retail Limited

Future Value Retail Limited (FVRL) was a wholly owned subsidiary of your Company and engaged in Value Retail Business under various formats like Big Bazaar, Food Bazaar etc. and other small format in Value Retail Business. However, as part of the merger scheme various business formats of FVRL has been transferred to the Company.

As required under the Listing agreement with the Stock Exchanges, the Company is mandatorily required to prepare the Consolidated Financial Statements, according to the applicable Indian Accounting Standards and reflects the financial position of all the subsidiary Companies of the Company.

A statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies is given as an annexure to the Annual Report. Further the Board has passed resolution pursuant to the General Circular No. 2/2011 dtd February 8, 2011, issued by Ministry of Corporate Affairs, giving consent for not attaching the balance sheet of the subsidiary companies. The Company is publishing the consolidated financial statements of the holding company and all subsidiaries duly audited by its auditors, in compliance with the applicable accounting standards and listing agreement and a statement disclosing the necessary information regarding each of subsidiaries.

It is hereby confirmed that Annual accounts of the subsidiary companies and the related detailed information shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall be available for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned. Details of accounts of subsidiaries shall be furnished to any shareholder on demand.

JOINT VENTURES (In Alphabetical Order)

Apollo Design Apparel Parks Limited and Goldmohur Design & Apparel Park Limited

The Company has entered into joint venture with NTC for the restructuring and development of the Apollo Mills and Goldmohur Mills situated in Mumbai. For the same two separate SPV companies have been created viz. Apollo Design Apparel Parks Limited (ADAPL) & Goldmohur Design & Apparel Park Limited (GDAPL). The ADAPL & GDAPL would be working for the restructuring and development of the Apollo Mills and Goldmohur Mills respectively. During the period ended March 31, 2014 ADAPL made a turnover of ₹ 248.51 Crores and earned net profit of ₹ 9.12 Crores. Further during the period GDAPL made a turnover of ₹ 228.78 Crores and earned net profit of ₹ 9.46 Crores.

Future Generali India Life Insurance Company Limited

Future Generali India Life Insurance Company Limited (FGI-Life) is Company's joint venture in the Life insurance sector. FGI-Life has introduced many insurance products to suit requirements of various categories of customers. The Company has divested its part Investment in FGI-Life with effect from 17th December, 2013. During the period ended March 31, 2014, FGI-Life has registered a total income of ₹ 1,315.31 Crores and net loss of ₹ 63.56 Crores.

Future Generali India Insurance Company Limited

Future Generali India Insurance Company Limited (FGI-Nonlife)

is Company's joint venture in the general insurance sector. FGI-Nonlife has introduced insurance products for various general insurance needs of the different categories of customers. During the period ended March 31, 2014, FGI-Nonlife has registered a total income of ₹ 1,499.77 Crores and net profit of ₹ 47.71 Crores.

Integrated Food Park Private Limited

Integrated Food Park Private Limited (IFPPL) is designed to capture the consumption space of food and aims to facilitate the establishment of strong food processing industries backed by an efficient supply chain, which would include collection centres, processing centres, cold chain infrastructures. The Company has received the approval from the Government for setting up 'Mega Food Park' at Tumkur District in the State of Karnataka. IFPPL was formed as a joint venture between the Company, Capital Foods Private Limited and Sattva Developers Private Limited with 28.86% stake held by your company. IFPPL has not earned any income during the period ended March 31, 2014 since its project has yet not commenced. Net loss of IFPPL for the said period stood at ₹ 0.09 Crore.

Shendra Advisory Services Private Limited

Shendra Advisory Services Private Limited (Shendra) is a SPV with respect to the Company's insurance arm Future Generali India Insurance Company Limited. During the period ended March 31, 2014, Shendra has registered a total income of ₹ 0.03 Crore and net loss of ₹ 0.12 Crore.

Sprint Advisory Services Private Limited

Sprint Advisory Services Private Limited (Sprint) is a SPV with respect to the Company's insurance arm Future Generali India Life Insurance Company Limited. During the period ended March 31, 2014, Sprint has registered a total income of ₹ 0.09 Crore and net profit of ₹ 0.004 Crore.

DIRECTORS

Mr. Kishore Biyani & Mr. Rakesh Biyani retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The term of Mr. Vijay Biyani, as Whole-Time Director, which was for a period of 5 years from September 26, 2009 is to expire on September 26, 2014. The Directors are seeking appointment of Mr. Vijay Biyani as a Whole-Time Director for a period of 3 years. Detail of the proposal for appointment of Mr. Vijay Biyani is mentioned in the Statement under Section 102 of the Companies Act, 2013 of the Notice of the 26th Annual General Meeting. His appointment is appropriate and in the interest of the Company.

The Company is also proposing resolutions for the remunerations payable to all the executive directors of the Company to be approved by the Shareholders, in view of the requirement to make application to the Central Government for approval of remuneration, due to inadequacy of profits.

Impending notification of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. S. Doreswamy, Mr. Anil Harish, Ms. Bala Deshpande and Mr. V.K. Chopra as Independent Directors for a term of five years. Details of the proposal for appointment of Mr. S. Doreswamy, Mr. Anil Harish, Ms. Bala Deshpande and Mr. V.K. Chopra are mentioned in the Statement under Section 102 of the Companies Act, 2013 of the Notice of the 26th Annual General Meeting.

The details as required by clause 49 of the listing agreement, is given as part of the notice.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that: -

- (i) in preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation and there are no material departures;
- (ii) the accounting policies selected have been applied consistently and judgments made and estimates given are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2014 and the profit of the company for the period ended on that date;
- (iii) The proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the accounts have been prepared on a going concern basis.

AUDITORS

M/s NGS & Co. LLP, Chartered Accountants, Mumbai, hold office as Statutory Auditors upto the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Shareholders are requested to re-appoint them as Statutory Auditors to hold office upto the three years and to fix their remuneration. The observations made by the auditors are self-explanatory.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited consolidated financial statements are provided as part of the Annual Report in accordance with Accounting Standard AS-21, AS-23 & AS 27 dealing with the consolidated financial reporting. These statements have been prepared on the basis of the financial statements received from subsidiaries and joint ventures, as approved by their respective Board of Directors. Some of the financial statements provided by the subsidiaries, associates and joint ventures are unaudited and considered on certification of management. Due to extension of financial period of the Company, relevant financial period of subsidiaries, associates and joint ventures for a period of eighteen months is being considered for consolidation.

THE EMPLOYEE STOCK OPTION SCHEME

The Nomination and Remuneration Committee of the Board of the Company *inter alia* administers and monitors the Employee Stock Option Scheme of the Company in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guideline).

The applicable disclosure as stipulated under the SEBI Guidelines as on March 31, 2014 with regard to Employee Stock Option Scheme is provided hereunder:

Future Retail Limited (FRL) (earlier known as Pantaloon Retail (India) Limited) has granted Options to eligible employees in 2013 under PRIL-Employee Stock Option Scheme 2012 (“ESOS 2012”).

In a Scheme of demerger, “FRL” (Demerged Company) has transferred its Fashion business under the brand name “Pantaloons” and variations thereof to “Peter England Fashions and Retail Limited” (Resulting Company); demerger scheme has been duly sanctioned by the Bombay High Court in its order dated March 1, 2013.

In a subsequent Scheme of demerger, “FRL” (Demerged Company) has transferred its fashion business carried on under the format brands of Central, Brand Factory, and Planet Sports to “Future Lifestyle Fashions Limited”; demerger scheme has been duly sanctioned by the Bombay High Court in its order dated May 10, 2013.

The Employee Stock options of the Company has adjusted for the corporate actions on Value for Value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

A. Summary of Status of ESOPs Granted

The position of the existing scheme is summarized as under -

Sr. No.	Particulars	Details
1	Details of the Meeting	Approved in Shareholders' Meeting dated Feb 04, 2013
2	Options Approved*	25,00,000
3	The Pricing Formula	₹ 20 revised to ₹ 10 in the Scheme of Demerger*
4	Options Granted*	2,76,279
5	Options Cancelled before Demerger	14,790
6	Unvested Options cancelled (Employees Transfer to Future Lifestyle Fashions Limited in scheme of Demerger)	98,464
7	Option Adjusted in Scheme of Demerger of entity in to Future Lifestyle Fashion Limited*	1,42,167
8	Revised Options after Demerger*	3,05,192
9	Options Exercised	-
10	Options Cancelled	11,798
11	Options Lapsed	-
12	Total Number of Options in force*	2,93,394
13	Variation in terms of ESOP	Not Applicable
14	Total number of equity shares arising as a result of exercise of options	-
15	Money realised by exercise of options (₹ In Crores)	-

*Value for Value exchange of Options under the Scheme of Demerger of Future Lifestyle Fashions Limited from Future Retail Limited

B. Employee-wise details of options granted during the financial year 2013-14 to:

(i)	Senior managerial personnel	
	Mr. Dinesh Maheshwari	20,986
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	
	Mr. Sadasiv Nayak	40,114
	Mr. Manoj Agarwal	19,728
	Mr. Devendra Chawla	33,431
	Mr. Venkateshwar Kumar M	26,744
	Mr. Rajesh Ramjilal Kalyani	14,793
	Mr. Dinesh Maheshwari	20,986
(iii)	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL

C.

Weighted average Fair Value of Options granted during the year whose

(a) Exercise price equals market price	-
(b) Exercise price is greater than market price	-
(c) Exercise price is less than market price*	196.17
Weighted average Exercise price of options granted during the year whose	
(a) Exercise price equals market price	-
(b) Exercise price is greater than market price	-
(c) Exercise price is less than market price*	10.00

D The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2011-12 is ₹1.09Crores. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2011-12 would be ₹3.70 Crores. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Net Income as reported	₹ in Crores	2.81
Add: Intrinsic Value Compensation Cost	₹ in Crores	3.07
Less: Fair Value Compensation Cost	₹ in Crores	3.07
Adjusted Pro Forma Net Income	₹ in Crores	2.81
Earning Per Equity Share: Basic		
As Reported	₹	0.12
Adjusted Pro Forma	₹	0.12
Earning Per Equity Share: Diluted		
As Reported	₹	0.12
Adjusted Pro Forma	₹	0.12

E Method and Assumptions used to estimate the fair value of options granted during the year:

1. Risk Free Interest Rate	7.89%
2. Expected Life	1.59
3. Expected Volatility	65.02%
4. Dividend Yield	0.53%
5. Price of the underlying share in market at the time of the option grant (₹)	215.60

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is given as an annexure appended hereto and forms part of this report. In terms of section 219(1)(b)(iv) of the Act, the report and accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining the copy of annexure may write to the company secretary at the registered office of the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

A Statement giving details of conservation of energy (in Form A) and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988, in Annexure I is enclosed and forms part of this report. However there is no expenditure on R&D, Technology absorption, adoption & innovation during the current financial period. The Company being concentrating on the domestic consumption space do not have any specific exports initiatives to report to members.

AWARDS AND RECOGNITIONS

- Future Retail Limited Won the Best Run Award in IT (Technology Solutions) at SAP ACE 2013

- **Best Run Award 2013**

Home Town became the first Indian retailer to bag Global Innovation Award for the year 2012- 2013.

- **EMC Transformers Award 2013**

Technology Services Team at Future Group won the EMC Transformers Awards for their smart and judicious use of IT services.

- **CIO100 Awards 2013**

Business Technology Services of Future Group won this award for the 2nd consecutive year for the project “Pratibimb”, a project carried for virtualization of desktops to enhance user productivity.

- **CISO Award 2013**

IT support services received this prestigious for innovative ways to secure the business in the most effective manner and deliver business value, by creating competitive advantage, optimizing business processes, enabling growth and improving relationships with customers.

- **Consumer Survey of Product Innovation 2013**

Sach Handwash voted product of the year by Consumer Survey of Product Innovation 2013

- **Images Fashion Awards 2013**

The Most Admired Fashion Retail Personality of the Year – Mr. Kailash Bhatia

- **The Global Innovation Award**

International Home + House wares Retail Excellence /Global Innovation’ for the year 2012-2013 – Home Town

- **Retailer Technology Awards 2013**

Future Group's IT team was felicitated with the following awards:

Retail Application of the year

IT Team of the year

Supply Chain Software Solution

- **4th Most Trusted Service Brands In India**

Big Bazaar is the 4th most trusted service brand in India in the Brand Equity Survey 2013 conducted by Nielsen.

- **Images Most Admired Food & Grocery Retailer**

Foodhall bagged the Images Most Admired Food & Grocery Retailer at the 7th Coca Cola Golden Spoon Awards 2014.

ACKNOWLEDGMENT

The Board wishes to place on record their sincere appreciation to all the consumers, working capital consortium bankers lead by Bank of India, vendors, and other stakeholders for the continued support and patronage during the previous period. The board further wishes to record their sincere appreciation to the employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve the targets and recognitions

For and on behalf of the Board,

Kishore Biyani
Managing Director

Rakesh Biyani
Jt. Managing Director

Mumbai
May 30, 2014

ANNEXURE I

A) Conservation of energy

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy.

A) Power and fuel consumption (Manufacturing Facility)	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
(1) ELECTRICITY		
a) Purchased		
Purchased		
Unit	9,87,138	10,71,900
Total amount (In ₹)	85,66,748	84,81,740
Rate/unit	8.68	7.91
b) Own Generation		
Internal Generation through DG set		
No. Of Units	20,126	16,252
Unit per litre of Diesel	3.61	3.52
Rate per /unit (In ₹.)	15.89	12.97
(2) FURNACE OIL		
Quantity (K.Ltrs.)	1,37,802	1,59,186
Total amount (In ₹)	66,87,707	69,41,573
Average rate (₹ / Ltr.)	48.53	43.61
B) Foreign Exchange Earnings and Outgo	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
FOREIGN EXCHANGE OUTGO		
Traveling Expenditure	2.84	2.21
Interest	1.84	1.25
Consulting Fees	2.92	0.74
Royalty	1.51	7.38
Commission	0.07	Nil
Imports		
Raw Materials including (Stitching Materials)	0.09	0.27
Finished Goods	133.80	115.98
Capital Goods	29.76	10.18
Accessories & Others	1.34	1.39
FOREIGN EXCHANGE EARNING		
Earnings in Foreign Currency	88.43	85.13

CORPORATE GOVERNANCE REPORT

Corporate Governance indicates transparency, accountability and reliability of any organisation.

One of the core missions of your organisation is to achieve excellence in all spheres, be it profitability, growth in market share, superior quality of products and services to the satisfaction of the stakeholders through an efficient and effective code of governance.

We aim at providing fairness, clarity and transparency in all our dealings and increasing the value of all stakeholders of the Company.

The Corporate Governance Report of the Company for the period of 15 months ended March 31, 2014 is as follows:

1. BOARD OF DIRECTORS

The composition of the Board as on March 31, 2014 is as follows:

- 1) Executive Promoter Directors - 3
- 2) Non Executive Promoter Director - NIL
- 3) Independent Non Executive Directors - 4

The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement.

During the financial period 2013-14, seven Board Meetings were held. These were held on 25/02/2013, 15/03/2013, 08/05/2013, 14/08/2013, 31/10/2013, 13/02/2014, and 13/03/2014.

Composition of the Board of Directors, their attendance in the Board Meetings and other particulars are as follows:

Name of the Director	Category	No. of Board Meetings attended during [2013-14]	No. of other directorships in public companies* as on 31/03/2014	Attendance in the last AGM	No. of committee positions held in other public companies as on 31/03/2014**	
					Chairman	Member
Mr. Kishore Biyani	Executive Promoter	7	7	Yes	1	3
Mr. Gopikishan Biyani @	Non Executive Promoter	5	NA	Yes	NA	NA
Mr. Rakesh Biyani	Executive Promoter	5	10	No	NIL	6
Mr. Shailesh Haribhakti @	Independent Non Executive	5	NA	Yes	NA	NA
Dr. Darlie Koshy @	Independent Non Executive	4	NA	No	NA	NA
Mr. S. Doreswamy	Independent Non Executive	7	1	Yes	NIL	2
Ms. Bala Deshpande	Independent Non Executive	4	2	No	NIL	1
Mr. Anil Harish	Independent Non Executive	6	13	Yes	4	6
Mr. V. K. Chopra	Independent Non Executive	6	12	Yes	4	6
Mr. Vijay Biyani	Executive Promoter	5	3	Yes	NIL	-

* Alternate directorships and directorships in private companies, foreign companies and Section 25 companies are excluded.

** includes chairmanships / memberships of only Audit Committee and Shareholders'/Investors' Grievance Committee (Renamed as Stakeholder Relationship Committee).

@ resigned w.e.f. 31/10/2013.

Except Mr. Kishore Biyani and Mr. Vijay Biyani who are brothers, no other directors have any inter se relationship.

Names of directors and their shareholding in the Company as on March 31, 2014 are as follows:

Name of the Director	No. of Shares held	
	Equity Shares	Class B (Series1) Shares
Mr. Kishore Biyani	-	1,000
Mr. Rakesh Biyani	-	1,000
Mr. Anil Harish	10,000	1,000
Mr. Vijay Biyani	-	1,000
Mr. V.K.Chopra	-	-
Ms. Bala Deshpande	-	-
Mr. S.Doreswamy	-	-

2. AUDIT COMMITTEE

The Audit Committee was formed in the year 2000 and the Committee comprises of three independent directors. The functions of the Committee are as specified in Clause 49 of the Listing Agreement entered into with Stock Exchanges and Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee include:

- to review quarterly/annual financial statements before submission to the Board;
- to review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- to review compliance with internal control systems;
- to hold periodic discussions with statutory auditors/internal auditors on the accounts of the Company, scope of audit, internal control systems and observations/concerns, if any;

A total of Six Audit Committee Meetings were held in the financial period January 2013 – March 2014. The meetings were held on 25/02/2013, 15/03/2013, 8/05/2013, 14/08/2013, 31/10/2013 and 13/02/2014. The composition of the Committee and details of attendance at the Meetings are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. S. Doreswamy	Chairman	6
Mr. Shailesh Haribhakti*	Member	5
Dr. Darlie Koshy*	Member	4
Mr. V.K. Chopra**	Member	1
Ms. Bala Deshpande**	Member	NIL

* resigned w.e.f. 31/10/2013

** appointed w.e.f. 31/10/2013

3. NOMINATION & REMUNERATION COMMITTEE

The erstwhile Remuneration Committee has been renamed as Nomination & Remuneration Committee w.e.f. November 10, 2011. The Nomination & Remuneration Committee of the Company consists five independent directors. The meeting of the Committee was held on February 25, 2013 during the report period.

The composition of the Committee and details of attendance at the Meeting are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. S. Doreswamy	Member	1
Dr. Darlie Koshy*	Member	1
Ms. Bala Deshpande	Member	1
Mr. Anil Harish	Member	1
Mr. Shailesh Haribhakti*	Member	1
Mr. V.K. Chopra**	Member	NIL

* resigned w.e.f. 31/10/2013

** appointed w.e.f. 01/04/2014

Members of the Committee appoints one among them as Chairman of the Meeting.

The terms of reference of the Nomination & Remuneration Committee include reviewing and recommending remuneration packages for executive directors including pension rights and any compensation payment. The Committee also reviews the constitution of the Board and recommends induction of new directors to the Board.

Remuneration Policy

The details of remuneration paid to the Directors during the period of 15 months ended on March 31, 2014 is as follows:

(₹ In Crores)

Name of the Director	Salary & Perquisites (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Kishore Biyani	3.21	NA	1.88	5.09
Mr. Rakesh Biyani	3.21	NA	1.50	4.71
Mr. Vijay Biyani	1.90	NA	0.94	2.84
Mr. Shailesh Haribhakti [@]	NA	0.02	0.15	0.17
Mr. S. Doreswamy	NA	0.03	0.15	0.18
Dr. Darlie Koshy [@]	NA	0.02	0.15	0.17
Mr. Anil Harish	NA	0.01	0.15	0.16
Ms. Bala Deshpande	NA	0.01	0.15	0.16
Mr. V. K. Chopra	NA	0.01	0.15	0.16
Mr. Gopikishan Biyani [@]	NA	0.01	0.15	0.16

[@] resigned w.e.f. 31/10/2013

4. INVESTORS RELATIONS & GRIEVANCE COMMITTEE (RENAMED AS STAKEHOLDER RELATIONSHIP COMMITTEE)

The Investors Relations & Grievance Committee was constituted by the Board in the year 1999 to redress any grievances of the Investors. A total of five meetings of the Investors Relations & Grievance Committee were held in the financial period January 2013 - March 2014. The meeting were held on 25/02/2013, 08/05/2013, 14/08/2013, 31/10/2013 and 13/02/2014. The composition of the Committee and the number of meetings attended by the members are as follows:

Name	Designation	No. of Meetings attended
Mr. V. K. Chopra [@]	Chairman	4
Mr. S. Doreswamy	Member	5
Mr. Gopikishan Biyani [@]	Member	4
Mr. Rakesh Biyani	Member	4
Mr. Vijay Biyani [*]	Member	1

[@] resigned w.e.f. 31/10/2013

^{*} appointed w.e.f. 31/10/2013

A total of 117 complaints were received during the period. All these complaints have been resolved to the satisfaction of complainants.

5. COMMITTEE OF DIRECTORS

The Board of Directors have constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the company. A total of 19 meetings were held during the report period.

6. CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was dissolved on October 31, 2013 Board Meeting, in light of new governance norms and Committee requirements under Companies Act 2013.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted on March 13, 2014. The Committee consists of following directors:

Mr. Kishore Biyani

Mr. Vijay Biyani

Ms. Bala Deshpande (Chairperson)

8. SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of 3 members. The Committee meets on a regular basis to approve transfer of shares, transmission of shares, split, consolidation and rematerialisation of shares. The Shares in physical form sent for transfer in physical form are processed and registered by our registrar & transfer agent viz., Link Intime India Pvt. Limited within 15 days of receipt of documents, if found in order. A total of 17 meetings were held during the period of 15 months in which 97,820 equity shares and 10,230 Class B Shares (Series 1) were transferred.

9. COMPLIANCE OFFICER

Mr. Deepak Tanna, Company Secretary, is the Compliance Officer for complying with the requirements of Securities Laws and Listing Agreements with the Stock Exchanges in India.

10. GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the last three years are as follows:

Year	No of AGM	Day, Date & Time of AGM	Venue
2011-12	25	8th May 2013 at 11:00 am	Y.B. Chavan Centre, Gen.
2010-11	24	15th November 2011 at 10:30 am	Jagannath Bhosale Marg,
2009-10	23	3rd November 2010 at 4:00 pm	Mumbai – 400 021

Special Resolutions passed in the previous three Annual general Meetings are as follows:

AGM	AGM date	Special Resolutions passed through show of hands
25	08/05/2013	NIL
24	15/11/2011	Issuance of further securities for equity funding
23	03/11/2010	Issuance of further securities for equity funding

During the period, No Extraordinary General Meeting was held

Postal Ballot

The Company had completed the process of obtaining the approval of its members through Postal Ballot as per provisions of Section 192A of the Companies Act, 1956, during the period of 15 months. There were four postal ballots conducted simultaneously. The approval of members obtained through postal ballot was pertaining to:-

Postal Ballot - 1: Approval of members (both Equity and Class B (Series) shareholders) obtained for the following business

1. Issuance of further securities of equity nature or having option of equity conversion or attached warrants for subscribing to equity warrants.
2. Employee Stock Option Scheme 2012 (ESOS – 2012) – for the employees and other eligible persons of the Company.
3. Employee Stock Option Scheme 2012 (ESOS – 2012) –for the employees and other eligible persons of Subsidiary Companies
4. Re-appointment of Mr. Rakesh Biyani as a Joint Managing Director
5. Increase in limit for investments by Foreign Institutional Investors (“FIIs”) in the Company

Postal Ballot - 2: Scheme of Amalgamation of Future Value Retail Limited with Future Retail Limited and their respective shareholders and creditors

Postal Ballot - 3: Revised Scheme of Amalgamation.**Postal Ballot - 4:**

- a. Increasing borrowing limits; and
- b. For creation of mortgage, charge, hypothecation, lien and other encumbrances.

Voting Pattern and Procedure for Postal Ballot:

- (i) The Committee of Directors of the Company had its meeting held on December 24, 2012, May 10, 2013, December 18, 2013, and at Board Meeting held on March 13, 2014 appointed Mr. Virendra Bhatt, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process for all three Postal Ballots;
- (ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody of Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;
- (iii) All postal forms received / receivable up to the working hours on February 2, 2013, June 15, 2013, January 27, 2014 and April 28, 2014 the last date and time fixed by the Company for receipt of the forms in the postal ballot, had been considered by Scrutinizer in his scrutiny;
- (iv) Envelopes containing postal ballot forms received on / after February 2, 2013, June 15, 2013, January 27, 2014 and April 28, 2014 for the respective postal ballot had not been considered for his scrutiny;
- (v) The result of the all three Postal Ballots were announced on February 4, 2013, June 17, 2013, January 28, 2014 and April 30, 2014 at the Registered Office of the Company as per scrutinizer's Report are as under:

Postal Ballot 1:**Special Resolution 1: Issuance of further securities of equity nature or having option of equity conversion or attached warrants for subscribing to equity warrants.**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1	2		#(3) = [(2)/(1)]* 100	4	5	(6) = [(4)/(2)]* 100	(7) = [(5)/(2)]* 100
Promoter and Promoter Group	Shares	10,16,33,111						
	Voting Rights	9,97,61,188	9,97,61,188	100.00	9,97,61,188	0	100.00	0.00
Public - Institutional holders	Shares	7,71,30,447						
	Voting Rights	7,70,59,090	4,47,81,032	58.11	3,21,36,981	1,26,44,051	71.76	28.24
Public - Others	Shares	5,28,19,033						
	Voting Rights	5,07,80,025	89,135	0.18	83,834	5,301	94.05	5.95
Total	Shares	23,15,82,591						
	Voting Rights	22,76,00,303	14,46,31,355	63.55	13,19,82,003	1,26,49,352	91.25	8.75

since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Postal Ballot 1:**Special Resolution 2: Employee Stock Option Scheme 2012 (ESOS – 2012) – for the employees and other eligible persons of the Company.**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
		1	2	$\#(3) = [(2)/(1)] * 100$	4	5	$(6) = [(4)/(2)] * 100$	$(7) = [(5)/(2)] * 100$
Promoter and Promoter Group	Shares	10,16,33,111	9,97,61,188	100.00	9,97,61,188	0	100.00	0.00
	Voting Rights	9,97,61,188						
Public -Institutional holders	Shares	7,71,30,447	4,47,81,032	58.11	4,37,49,752	10,31,280	97.70	2.30
	Voting Rights	7,70,59,090						
Public -Others	Shares	5,28,19,033	80,055	0.16	68,485	11,570	85.55	14.45
	Voting Rights	5,07,80,025						
Total	Shares	23,15,82,591	14,46,22,275	63.54	1,43,57,19,425	10,42,850	99.28	0.72
	Voting Rights	22,76,00,303						

#since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Postal Ballot 1:**Special Resolution 3: Employee Stock Option Scheme 2012 (ESOS – 2012) –for the employees and other eligible persons of Subsidiary Companies**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
		1	2	$\#(3) = [(2)/(1)] * 100$	4	5	$(6) = [(4)/(2)] * 100$	$(7) = [(5)/(2)] * 100$
Promoter and Promoter Group	Shares	10,16,33,111	9,97,61,188	100.00	9,97,61,188	0	100.00	0.00
	Voting Rights	9,97,61,188						
Public -Institutional holders	Shares	7,71,30,447	4,47,81,032	58.11	4,38,27,548	9,53,484	97.87	2.13
	Voting Rights	7,70,59,090						
Public -Others	Shares	5,28,19,033	86,700	0.17	74,060	12,640	85.42	14.58
	Voting Rights	5,07,80,025						
Total	Shares	23,15,82,591	14,46,28,920	63.55	14,36,62,796	9,66,124	99.33	0.67
	Voting Rights	22,76,00,303						

#since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Postal Ballot 1:**Special Resolution 4: Re-appointment of Mr. Rakesh Biyani as a Joint Managing Director**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
		1	2	#(3) = [(2)/(1)]* 100	4	5	(6) = [(4)/(2)]* 100	(7) = [(5)/(2)]* 100
Promoter and Promoter Group	Shares	10,16,33,111	9,97,61,188	100.00	9,97,61,188	0	100.00	0.00
	Voting Rights	9,97,61,188						
Public -Institutional holders	Shares	7,71,30,447	4,47,81,032	58.11	4,47,80,532	500	99.999	0.001
	Voting Rights	7,70,59,090						
Public -Others	Shares	5,28,19,033	87,874	0.17	78,640	9,234	89.49	10.51
	Voting Rights	5,07,80,025						
Total	Shares	23,15,82,591	14,46,30,094	63.55	14,46,20,360	9,734	99.99	0.01
	Voting Rights	22,76,00,303						

#since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Postal Ballot 1:**Special Resolution 5: Increase in limit for investments by Foreign Institutional Investors ("FIIs") in the Company**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
		1	2	#(3) = [(2)/(1)]* 100	4	5	(6) = [(4)/(2)]* 100	(7) = [(5)/(2)]* 100
Promoter and Promoter Group	Shares	10,16,33,111	9,97,61,188	100.00	9,97,61,188	0	100.00	0.00
	Voting Rights	9,97,61,188						
Public -Institutional holders	Shares	7,71,30,447	4,47,81,032	58.11	4,47,80,532	500	99.999	0.001
	Voting Rights	7,70,59,090						
Public -Others	Shares	5,28,19,033	87,264	0.17	85,652	1,612	98.15	1.85
	Voting Rights	5,07,80,025						
Total	Shares	23,15,82,591	14,46,29,484	63.55	14,46,27,372	2,112	99.999	0.001
	Voting Rights	22,76,00,303						

#since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Postal Ballot 2:**Special Resolution: Scheme of Amalgamation of Future Value Retail Limited with Future Retail Limited and their respective shareholders and creditors**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2**	$\#(3) = [(2)/(1)] * 100$	4	5	$(6) = [(4)/(2)] * 100$	$(7) = [(5)/(2)] * 100$
Promoter and Promoter Group	Shares	10,34,81,462						
	Voting Rights	10,14,32,747	Did not participate in voting as stated in the notice of Postal Ballot					
Public - Institutional holders	Shares	8,40,97,825						
	Voting Rights	8,40,14,792	4,07,33,959	48.48	4,07,33,959	0	100.00	0.00
Public - Others	Shares	4,40,03,304						
	Voting Rights	4,21,52,764	1,70,43,815	40.43	1,70,33,666	7,969	99.94	0.05
Total	Shares	23,15,82,591						
	Voting Rights	22,76,00,303	5,77,77,774	25.39	5,77,67,625	7,969	99.98	0.01

** Votes polled do not include any voting by the members constituting Promoters and Promoter Group members, as it has been provided in the notice of Postal Ballot that Promoters and Promoter Group members will not be participating in the ballot process.

since the shares includes differential voting rights shares, 'percentage of votes polled have been derived on the voting rights polled to voting rights held.

Note: 2,180 votes were neutral

Postal Ballot 3:**Special Resolution: Revised Scheme of Amalgamation**

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1		2**	$\#(3) = [(2)/(1)] * 100$	4	5	$(6) = [(4)/(2)] * 100$	$(7) = [(5)/(2)] * 100$
Promoter and Promoter Group	Shares	11,00,43,159						
	Voting Rights	10,79,08,354	Did not participate in voting as stated in the notice of Postal Ballot					
Public - Institutional holders	Shares	6,67,44,422						
	Voting Rights	6,66,68,851	1,14,58,690	17.19	1,14,58,690	-	100.00	-
Public - Others	Shares	5,47,95,010						
	Voting Rights	5,30,23,098	1,85,69,329	35.02	1,85,58,278	11,051	99.94	0.06
Total	Shares	23,15,82,591						
	Voting Rights	22,76,00,303	3,00,28,019	13.19	3,00,16,968	11,051	99.96	0.04

** Votes polled do not include any voting by the members constituting Promoters and Promoter Group members, as it has been provided in the notice of Postal Ballot that Promoters and Promoter Group members will not be participating in the ballot process.

since the shares includes differential voting rights shares, 'percentage of votes polled have been derived on the voting rights polled to voting rights held.

Postal Ballot 4:

Special Resolution 1: Increasing Borrowing limit upto ₹ 8500 Crores

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1	2	#(3) = [(2)/(1)]* 100	4	5	(6) = [(4)/(2)]* 100	(7) = [(5)/(2)]* 100	
Promoter and Promoter Group	Shares	11,28,68,512	11,01,93,524	97.63	11,01,93,524	-	100.00	-
	Voting Rights	11,07,25,906						
Public -Institutional holders	Shares	6,34,22,389	25,83,097	4.07	25,07,597	75,500	97.08	2.92
	Voting Rights	6,33,42,581						
Public -Others	Shares	5,52,91,690	2,93,10,121	53.01	2,92,74,725	35,396	99.88	0.12
	Voting Rights	5,35,31,816						
Total	Shares	23,15,82,591	14,20,86,742	61.35	14,19,75,846	1,10,896	99.92	0.08
	Voting Rights	22,76,00,303						

#since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Postal Ballot 4:

Special Resolution 2: For Creation of Mortgage, Charge, Hypothecation, Lien and other Encumbrances upto ₹ 8500 Crores

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1	2	#(3) = [(2)/(1)]* 100	4	5	(6) = [(4)/(2)]* 100	(7) = [(5)/(2)]* 100	
Promoter and Promoter Group	Shares	11,28,68,512	11,01,93,524	97.63	11,01,93,524	-	100.00	-
	Voting Rights	11,07,25,906						
Public -Institutional holders	Shares	6,34,22,389	31,13,473	4.91	30,37,973	75,500	97.58	2.42
	Voting Rights	6,33,42,581						
Public -Others	Shares	5,52,91,690	2,87,77,088	52.05	2,87,37,987	39,101	99.86	0.14
	Voting Rights	5,35,31,816						
Total	Shares	23,15,82,591	14,20,84,085	61.35	14,19,69,484	1,14,601	99.92	0.08
	Voting Rights	22,76,00,303						

#since the shares includes differential voting rights shares, 'percentage of votes polled' have been derived on the voting rights polled to voting rights held.

Court Convened Meeting of Shareholders:

Court Convened Meeting of Shareholders of the Company was held on March 4, 2013 at 10:00 am to approve the Scheme of Arrangement and Amalgamation between Indus-League Clothing Limited and Lee Cooper (India) Limited and Future Ventures India Limited and Future Retail Limited (Formerly known as Pantaloon Retail (India) Limited) and Future Lifestyle Fashions Limited and their respective shareholders and creditors.

Court Convened Meeting of Shareholders of the Company was held on June 10, 2013 at 10:00 am to approve the Scheme of Amalgamation of Future Value Retail Limited with Future Retail Limited and their respective shareholders and creditors.

11. MEANS OF COMMUNICATION:

Financial Results

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors

The results are normally published in "The Free Press Journal"- English Daily and "Nav Sakthi" - Marathi Newspaper within 48 hours after the approval by the Board.

The details of the financial results and shareholding pattern are hosted on the Company's website: www.futureretail.co.in. All other official news and press releases are displayed on the same website.

The Annual Report, Quarterly Results and Shareholding Pattern of the Company are also posted by the BSE and NSE on their websites. Hard copies of the said disclosure and correspondence are also filed with the Stock Exchanges.

12. INFORMATION TO SHAREHOLDERS

12.1 Date, time and Venue of the 26th Annual General Meeting:

August 2, 2014 of 10:30 am
at Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai 400021

12.2 Date of Book Closure

From Thursday July 31, 2014 to August 2, 2014 (both days inclusive)

12.3 Dividend

The Board of Directors of the Company has recommended a dividend of ₹ 0.60 (30%) per equity share and dividend of ₹ 0.64 (32%) per Class B share (Series 1). Dividend, if approved, at the ensuring Annual General Meeting, will be paid / credited on or after August 8, 2014 to those members whose names appear on the Company's Register of Members on Record Date.

12.4 Registered office:

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

12.5 Listing in Stock Exchanges

The Equity Shares and Class B Shares (Series 1) of the Company are listed in the Following Stock Exchanges:

BSE Limited
National Stock Exchange of India Limited

Debt Securities

The Non-convertible Debentures (Series 1), (Series 4), (Series 5), (Series 6), (Series 7), (Series 8) of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

Debenture Trustees:

For Non-convertible Debentures (Series 1), (Series 5), (Series 6) & (Series 8)

Axis Trustee Services Limited
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 025

For Non-convertible Debentures (Series 4) & (Series 7)

Centbank Financial Services Limited
Central Bank – MMO Building,
6th Floor, 55, M G Road, Fort
Mumbai – 400 001

12.6 Stock Code

Shares	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE623B01027	523574	FRL
Class B Shares (Series 1)	IN9623B01058	570002	FRLDVR
11.50% Secured Non-Convertible Debentures (Series 1)	INE623B07032	946288	-
12.10% Secured Non-Convertible Debentures (Series 4)	INE623B07065	947649	-
11.50% Secured Non-Convertible Debentures (Series 5)	INE623B07073	949020	-
13.00% Secured Non-Convertible Debentures (Series 6)	INE623B07081	949530	-
11.50% Secured Non-Convertible Debentures (Series 7)	INE998K07013	946840	-
11.50% Secured Non-Convertible Debentures (Series 8)	INE998K07021	949039	-

12.7 Listing Fees

Listing Fees, as prescribed, has been paid to all the Stock Exchanges where the shares of the Company are listed.

12.8 Stock Performance

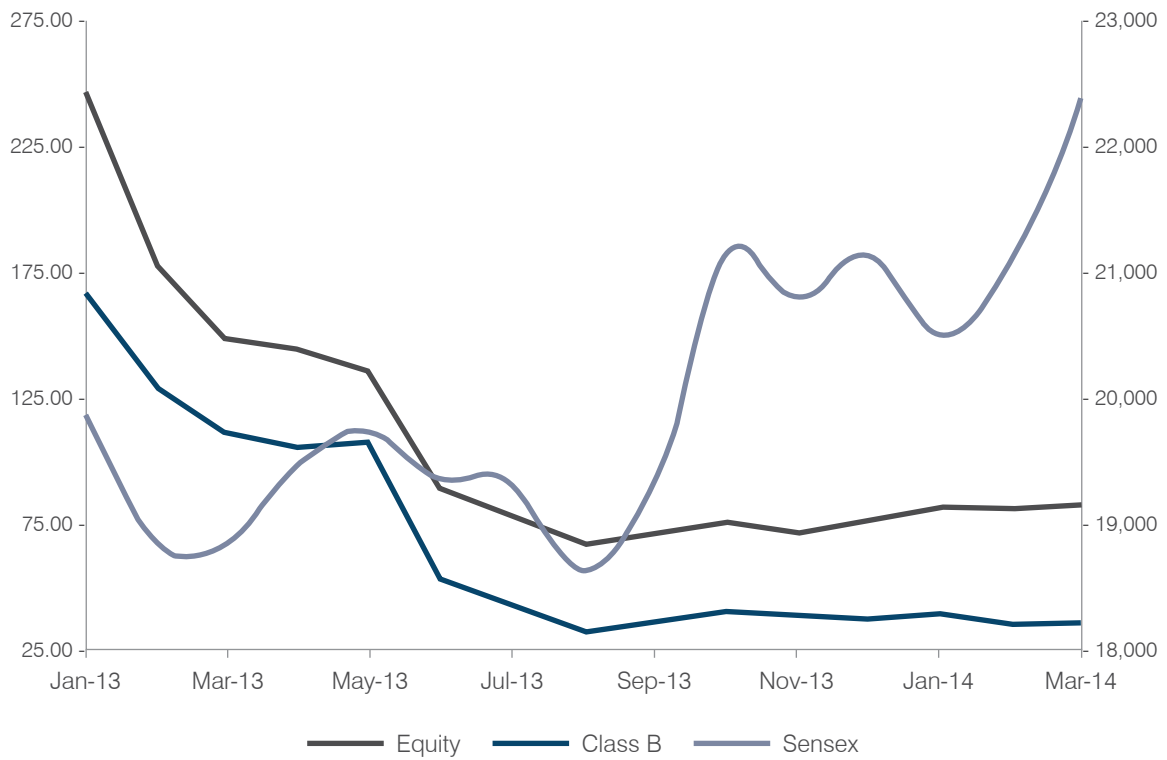
The performance of the stock in the BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) for the period of 15 months from January 1, 2013 to March 31, 2014 was as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
January	275.75	240.30	1,59,72,227	275.90	240.20	9,34,47,067
February	252.25	161.25	1,25,62,048	252.40	162.50	7,21,23,960
March	189.30	137.00	1,61,76,220	189.50	137.00	8,94,32,834
April	169.40	136.30	1,78,47,620	169.25	136.00	9,26,93,959
May	158.30	127.25	77,36,132	158.30	127.00	5,12,20,580
June	149.90	80.20	3,59,21,655	152.00	80.20	15,02,55,809
July	106.75	77.25	2,91,29,291	107.15	77.05	10,37,66,512
August	95.00	63.30	2,26,16,702	95.00	63.00	8,12,93,296
September	81.70	66.80	1,16,55,174	82.00	67.10	4,36,91,180
October	81.75	70.70	1,13,39,029	81.70	70.60	4,74,72,564
November	85.50	68.85	99,81,784	85.70	68.80	4,20,39,072
December	78.40	63.30	87,21,019	78.45	63.35	3,74,86,716
January	93.70	74.20	2,77,94,099	93.80	74.25	13,16,30,354
February	97.35	77.30	1,46,45,925	97.70	77.10	5,26,33,992
March	86.10	78.75	74,00,210	86.20	78.55	2,50,61,289

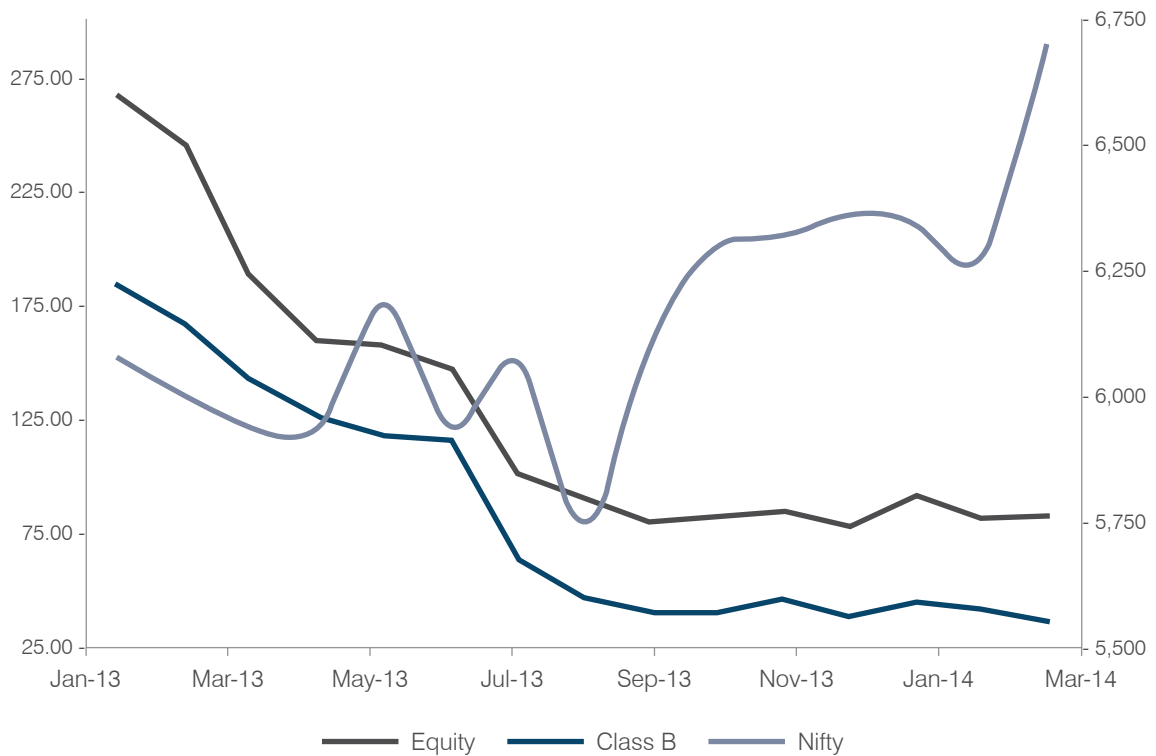
The performance of the stock of Class B Shares (Series 1) in the BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) for the period of 15 months from January 1, 2013 to March 31, 2014 was as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
January	189.55	156.60	1,59,412	188.90	160.65	8,18,052
February	169.20	117.10	55,850	170.60	116.35	2,95,419
March	146.50	106.00	5,88,167	145.65	101.00	4,79,149
April	133.80	104.00	2,19,941	130.95	104.00	6,62,907
May	116.75	101.25	1,71,830	120.00	101.00	2,88,029
June	115.00	49.70	1,16,569	116.40	48.00	3,85,247
July	68.00	42.25	55,983	67.35	42.00	1,58,005
August	49.75	31.00	26,625	49.70	30.10	1,46,457
September	45.00	33.00	31,902	43.10	32.00	1,84,474
October	42.25	36.00	29,916	44.85	35.00	1,31,584
November	49.45	37.00	1,94,982	49.40	35.75	5,49,910
December	39.50	33.00	78,741	40.00	32.90	1,83,787
January	45.45	36.10	38,162	44.35	36.10	2,59,231
February	46.75	35.05	69,890	46.80	34.50	2,74,046
March	36.95	28.60	7,34,619	36.95	33.10	1,92,032

Performance of Stock in BSE



Performance of Stock in NSE



12.9 Dematerialisation of shares

99.51% of the Equity Shares and 99.29% of Class B (Series 1) shares of the Company have been dematerialised as on March 31, 2014. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Entire shareholding of Promoters is in dematerialised form.

Status of Dematerialised Shares as on March 31, 2014:

Particulars	No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
	Equity	Equity	Class B	Class B
National Securities Depository Limited	19,47,70,565	90.32%	1,35,05,198	84.78%
Central Depository Services (India) Limited	1,98,30,388	9.19%	23,11,346	14.51%
Total Dematerialised	21,46,00,953	99.51%	1,58,16,544	99.29%
Physical	10,52,486	0.49%	1,12,608	0.71%
Total	21,56,53,439	100.00%	1,59,29,152	100.00%

12.10 Share Transfer Agents:

Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West),
 Mumbai - 400 078
 Telephone No. : 022- 25963838
 Fax No. : 022 - 25946969
 email : maheshwari.patil@linkintime.co.in

12.11 Distribution of Shareholding of Equity and Class B Shares (Series 1) as on March 31, 2014

Equity Shares

No. of Shares	No. of shareholders	%	No. of Shares	%
1-500	41,044	79.56	26,20,969	1.22
501-1000	5,688	11.03	23,71,182	1.10
1001-5000	4,021	7.80	40,55,465	1.88
5001-10000	413	0.80	14,94,185	0.69
10001-50000	284	0.55	30,14,519	1.40
50001-100000	38	0.07	13,51,341	0.63
Above 100000	100	0.19	20,07,45,778	93.08
Total	51,588	100.00	21,56,53,439	100.00

Class B Shares (Series 1)

No. of Shares	No. of shareholders	%	No. of Shares	%
1-500	15,724	94.00	4,40,145	2.76
501-1000	362	2.17	1,39,437	0.88
1001-5000	478	2.86	4,51,390	2.83
5001-10000	51	0.30	1,90,849	1.20
10001-50000	66	0.40	8,09,258	5.08
50001-100000	14	0.08	5,13,851	3.23
Above 100000	32	0.19	1,33,84,222	84.02
Total	16727	100.00	1,59,29,152	100.00

12.12 Categories of Shareholders as on March 31, 2014

Category	Equity		Class B	
	No. of Shares	% holding	No. of Shares	% holding
Promoters and their Relatives	10,42,98,089	48.36	85,70,423	53.80
Mutual Funds	13,36,200	0.62	50	0.00
Banks, Financial Institutions	80,07,792	3.71	1,69,152	1.06
Venture Capital Funds	81,59,147	3.78	-	-
Insurance Companies	6,23,723	0.29	39,560	0.25
Foreign Institutional Investors	4,49,53,570	20.85	1,13,281	0.71
Non Resident Indians	2,17,132	0.10	13,975	0.09
Indian Companies	2,81,36,579	13.05	27,11,960	17.03
Indian Public	1,85,02,933	8.58	42,77,382	26.85
Directors & their Relatives	10,000	0.01	1,000	0.01
Clearing Members	10,86,774	0.50	32,369	0.20
Trust	3,21,500	0.15	-	-
Total	21,56,53,439	100.00	1,59,29,152	100.00

12.13 Financials release dates for the FY 2014-15

Quarter	Release Date (tentative & subject to change)
1st Quarter ending 30th June	Second week of August 2014
2nd Quarter ending 30th September	Second week of November 2014
3rd Quarter ending 31st December	Second week of February 2015
4th Quarter ending 31st March	Fourth week of May 2015

12.14 Internet access: www.futureretail.co.in

The website of the Company contains all relevant information about the Future Retail Limited. The Annual Reports, Shareholding pattern, unaudited quarterly results and all other material information are hosted on this site.

12.15 Plant Locations

G-6, MIDC, Tarapur, Dist. Thane.

13. CORPORATE FILING AND DISSEMINATION

All filing, disclosures and communications to Stock Exchanges are made electronically through their respective web portals. Dissemination of specific information/disclosure is made by the Stock Exchanges on their respective websites.

14. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

FRL Code of Conduct for prevention of Insider Trading (FRL INSIDER CODE) as approved by the Board of Directors, inter alia, prohibits purchase / sale of securities of the Company by Promoter and Promoter Group Companies, Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The FRL Insider Code is available on the Company's corporate website.

15 DISCLOSURES

- Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions with the Promoters, Directors etc. that may have potential conflict with the interests of the Company at large.

- b) There were no non compliance by the Company, penalties, strictures imposed on the Company by Stock exchange or SEBI or any statutory authority, on any matter relating to the capital markets during the last three years.
- c) There was no pecuniary relationship or transactions of Non-executive Directors vis a vis the Company.
- d) The Company has complied with all mandatory requirements and adopted non mandatory requirements as mentioned hereunder.

Non-mandatory requirements:

1. Chairman of the Board: At present, Company do not have a Chairman for the Board. As there is no separate office of the Chairman being maintained, no reimbursement of expenses is being made for maintenance of separate Chairman's office.
 2. Remuneration Committee: Details regarding Remuneration Committee has already been dealt under para 3 of this Report.
 3. Shareholders' Rights: Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the news papers and uploaded on website of the Company. Hence, half yearly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report sent to every shareholder of the Company.
 4. Audit qualifications: There are no audit qualifications in the financial statement for the period 2013-14. Standard practices and procedures are in place to ensure unqualified financial statements.
 5. Training to Board Members: The Board equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment & minimising procedures and new initiatives. No training has been provided to the Board Members as on the date of this Report.
 6. Mechanism for evaluating Non-executive Board Members: The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and social expectations. The Company is working on the mechanism and will be adopted in due course.
 7. Whistle Blower Policy: The Company has adopted the code of conduct for Directors and Senior Management. Board has considered and deliberated on the whistle blower policy of the Company. The same would be implemented at appropriate time.
- 16. Reconciliation of Share Capital:** A qualified practicing Company Secretary carried out secretarial audit (share capital audit) to reconcile the total admitted Equity and Class B share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total listed Equity and Class B (Series 1) share capital. The secretarial audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and total number of dematerialised shares held with NSDL and CDSL.

- 17. Unclaimed Dividend:** Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid / unclaimed for a period of seven years from the dates it became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central government. Given below the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
30/06/2007	15/11/2007	19/11/2007	22/12/2014
30/06/2008	10/11/2008	14/11/2008	17/12/2015
30/06/2009	02/12/2009	06/12/2009	08/01/2017
30/06/2010	03/11/2010	07/11/2010	10/12/2017
30/06/2011	15/11/2011	19/11/2011	22/12/2018
31/12/2012	08/05/2013	12/05/2013	16/07/2020

Members who have so far not encashed their dividend warrants are requested to write to the Company / Registrar and Share Transfer Agent and claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund.

During the Financial period under review, the Company has transferred unpaid/unclaimed dividends of ₹ 5,38,716 relating to Financial Year 2004-05, ₹ 3,73,756 relating to Financial Year 2005-06 and unclaimed refund of Right Issue 2005-06 of ₹ 2,03,200 to Investor Education and Protection Fund

18. Equity Shares in the Suspense Account: In terms of Clause 5A(II) of the Listing Agreement, the Company has dematerialised and transferred 92,010 equity shares and 9,250 Class B Shares (Series 1) of the Company issued in physical form to 92 and 84 shareholders respectively and remaining unclaimed, to the 'FUTURE RETAIL LIMITED-UNCLAIMED SUSPENSE ACCOUNT'. No shares were transferred from the suspense account to the shareholders' accounts, during the period. The voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

19. Dividend intimation through e-mail: In order to protect the environment and as a "Go Green" Initiative, The Company has taken initiative of sending intimation of dividend for FY 2013-14 by e-mail. Physical credit intimation will be sent to only those shareholders whose e-mail addresses are not registered with the Company and for the bounced e-mail cases. Shareholders are requested to register their e-mail addresses with Link Intime Private Limited (for shares held in physical form) and with their Depository Participant (for shares held in electronic form) for receiving dividend credit intimation on e-mail.

20. Green initiative: The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/11 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc. through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive documents in electronic mode are requested to provide their details (name, folio no. E-mail id) on the Company's e-mail address viz. deepak.tanna@futuregroup.in. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

13. ESOS: The Company has reserved issuance of 25,00,000 Equity Shares of ₹ 2/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS) at a revised price of ₹ 10/- per option, plus all applicable taxes, as may be levied in this regard on the Company. These options have already been vested to the eligible employees as on March 31, 2014, details in respect of the same has been given in relevant notes to the accounts of the Company. The options to be granted further in scheme, would vest over a maximum period within 3 years or such period within 3 years as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

AUDITORS REPORT ON CORPORATE GOVERNANCE

To
The Members of
Future Retail Limited
(Formerly known as Pantaloons Retail (India) Limited)

We have examined the compliance of conditions of Corporate Governance by Future Retail Limited (Formerly known as Pantaloons Retail (India) Limited) for the period ended on March 31, 2014 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us and the report of Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 30, 2014

Declaration on compliance of Code of Conduct

I hereby confirm that:

Board members and Senior Management of the Company have affirmed compliance of the Code of Conduct laid down by the Board for the financial period January 2013 - March 2014.

Mumbai,
May 30, 2014

Kishore Biyani
Managing Director

10 YEARS FINANCIAL SUMMARY

Key Highlights of Financial Position

(₹ in Crores)

Particulars	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14
Share Capital	19.14	22.00	26.88	29.35	31.86	38.06	41.23	106.90	46.32	46.32
Reserves & Surplus	75.75	196.53	500.02	1,062.82	1,751.50	2,211.48	2,527.48	2,671.23	3,276.23	3,205.33
Net Worth	94.89	221.53	526.90	1,092.18	1,846.62	2,272.42	2,756.25	2,878.13	3,322.55	3,251.65
Total Borrowings	236.12	286.21	601.39	1,299.58	2,191.78	2,850.39	1,386.22	2,028.12	3,507.13	6,267.94
Capital Employed	331.01	507.73	1,128.29	2,391.76	4,038.40	5,122.81	4,142.47	4,906.25	6,829.67	9,519.59
Net Block	160.39	213.74	309.43	674.60	1,198.17	1,568.76	1,122.15	1,467.03	2,283.32	4,340.25
Investments	5.26	31.92	161.67	252.01	586.52	954.03	2,002.91	2,250.52	2,280.23	1,349.52
Inventory	157.60	275.93	507.02	885.96	1,429.84	1,787.84	1,270.67	1,762.20	2,140.24	3,113.29

Key Highlights of Financial Results

(₹ in Crores)

Particulars	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14
	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	18 Months	15 Months
Sales & Operating Income	658.31	1,052.80	1,868.97	3,236.74	5,048.91	6,341.70	5,934.37	4,101.48	6,987.73	11,577.44
Total Income	659.64	1,055.85	1,871.97	3,328.77	5,052.67	6,347.77	6,019.00	4,117.82	7,015.43	11,605.18
COGS	438.01	700.31	1,243.43	2,245.05	3,512.19	4,429.95	4,062.53	2,649.62	4,444.39	8,497.65
PBDIT	57.14	93.91	149.64	307.63	464.28	674.50	676.70	435.33	1,060.60	1,098.16
Interest	23.94	27.46	36.92	89.76	185.27	318.22	288.24	173.66	460.41	692.54
Depreciation	8.79	13.33	20.82	36.86	83.39	140.05	161.88	146.37	311.87	404.34
Profit Before Tax	24.33	53.09	91.82	180.96	195.64	216.23	213.64	115.29	288.32	1.27
Profit After Tax	19.78	38.55	64.16	119.99	125.97	140.58	179.56	76.66	273.26	2.81

Key Financial Ratios

Particulars	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-12	Mar-14
COGS / Sales & Operating Income (%)	66.54%	66.52%	66.53%	69.36%	69.56%	69.85%	68.46%	64.60%	63.60%	73.40%
Interest / Total Income (%)	3.63%	2.60%	1.97%	2.70%	3.67%	5.01%	4.79%	4.22%	6.56%	5.97%
PBDIT / Interest (Debt-Service Ratio)	2.39	3.42	4.05	3.43	2.51	2.12	2.35	2.51	2.30	1.59
PBDIT / Total Income (%)	8.66%	8.89%	7.99%	9.24%	9.19%	10.63%	11.24%	10.57%	15.12%	9.46%
PBT / Total Income (%)	3.69%	5.03%	4.91%	5.44%	3.87%	3.41%	3.55%	2.80%	4.11%	0.01%
PAT / Total Income (%)	3.00%	3.65%	3.43%	3.60%	2.49%	2.21%	2.98%	1.86%	3.90%	0.02%
Basic EPS (₹)	1.84	3.31	5.06	8.71	7.54	7.94	8.46	3.54	12.08	0.12
Debt Equity Ratio	2.49	1.29	1.14	1.19	1.19	1.25	0.50	0.70	1.06	1.93

Note: 1. PBDIT, PBT and PAT numbers for financial period ending December 31, 2012 & March 31, 2014 is on total income (inclusive of all incomes earned during the period).

2. Financial numbers for the period ended December 31, 2012 & March 31, 2014 are for the period of 18 & 15 Months hence not comparable with previous years.

3. Financial numbers and ratios for the period ended March 31, 2014 is after giving effect of demerger of Pantaloon's Format Business and Fashion Business and Merger of Value Retail Business, hence not comparable.

INDEPENDENT AUDITORS REPORT

To
The Members of
Future Retail Limited
(Formerly known as Pantaloons Retail (India) Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of FUTURE RETAIL LIMITED (Formerly known as Pantaloons Retail (India) Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.

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

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 30, 2014

Annexure to the Independent Auditors' Report

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements section in our report of even date')

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the period.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 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 clause 4(iii) of the Order 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 sale of goods and 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 these areas.
- v. (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- ix. (a) 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, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases.
- (b) No undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-Tax, Sales-Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Details of statutory dues which have not been deposited as at March 31, 2014 on account of dispute are given below.

Name of the Statute	Nature of the dues	Amount (₹ In Crores)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	8.92	FY : 2008-09	Chief Controlling Revenue Authority, Ghaziabad, U.P
The Income Tax Act, 1965	Income Tax	0.05	AY : 2004-05	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1965	Income Tax	3.37	AY : 2007-08	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1965	Income Tax	0.42	AY : 2008-09	Income Tax Appellate Tribunal

Name of the Statute	Nature of the dues	Amount (₹ In Crores)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1965	Income Tax	1.66	AY : 2009-10	Income Tax Appellate Tribunal
The Income Tax Act, 1965	Income Tax	4.78	AY : 2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1965	Income Tax	28.54	AY : 2011-12	Income Tax Appellate Tribunal
The Income Tax Act, 1965	Income Tax	0.21	AY : 2011-12	Commissioner of Income Tax (Appeal)
UP - Trade Tax Act	VAT	0.07	FY: 2007-08	Additional Commissioner Grade 2, Kanpur
UP - VAT Act	VAT	0.09	FY: 2007-08	Additional Commissioner Grade 2, Kanpur
UP - VAT Act	VAT	0.10	FY: 2008-09	Additional Commissioner Grade 2, Kanpur
UP - VAT Act	VAT	0.30	FY: 2012-13	Additional Commissioner Grade 2, Kanpur
UP - VAT Act	VAT	0.09	FY: 2009-10	Additional Commissioner Grade 2, Kanpur
CST Act 1956	CST	1.06	FY: 2006-07	Appellate Authority-DC
CST Act 1956	CST	0.55	FY: 2007-08	Appellate Authority-DC
VAT Act	VAT	0.19	FY: 2009-10	Directorate of Commercial Taxes
CST Act 1956	CST	0.15	FY: 2009-10	Dy. Commissioner of Sales Tax

- x. The Company does not have accumulated losses at the end of the financial period. The company has not incurred any cash losses in the current period and in the immediately preceding financial period.
- xi. Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to bank, financial institutions and debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on

the basis of security by way of pledge of shares, debentures and other securities.

- xiii. In our opinion, and according to the information and explanations given to us, the Company is not a Chit fund or Nidhi or Mutual Benefit Fund or Society.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. The Company has given guarantee for loans taken by others from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
- xvi. In our opinion and according to the explanations given to us, term loans obtained have been applied for the purpose for which they were obtained. In case of term loans taken over under the scheme of arrangement described under Note 37 to the financial statements and outstanding during the period, as explained to us, the merged Company had utilised the said loans in the earlier periods.
- xvii. In our opinion and according to the information and explanations given to us and on overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the period for long term investment.
- xviii. The Company has not made any preferential allotments of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us the Company has created security in respect of debentures issued during the financial period covered by our audit report.
- xx. The Company has not raised any money from public issues during the period.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the period, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

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

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 30, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(₹ in Crores)

	Note	As at March 31, 2014	As at December 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	46.32	46.32
Reserves and Surplus	3	3,205.33	3,276.23
		3,251.65	3,322.55
Optionally Fully Convertible Debentures	4	-	800.00
Compulsory Convertible Debentures	5	150.00	-
Optionally Convertible Debentures	5	250.00	-
Non-Current Liabilities			
Long-Term Borrowings	6	3,755.20	1,854.42
Deferred Tax Liabilities (Net)	7	180.18	94.99
Other Long-Term Liabilities	8	-	150.00
Long-Term Provisions	9	16.03	5.32
		3,951.41	2,104.73
Current Liabilities			
Short-Term Borrowings	10	1,348.60	551.18
Trade Payables	11	1,224.02	810.02
Other Current Liabilities	12	1,154.07	980.91
Short-Term Provisions	13	19.84	33.53
		3,746.53	2,375.64
		11,349.59	8,602.92
TOTAL ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	14	4,112.58	2,186.29
Intangible Assets		227.67	97.02
Capital Work-in-Progress		363.82	209.73
Non-Current Investments	15	1,349.52	2,280.23
Long-Term Loans and Advances	16	370.99	764.01
		6,424.58	5,537.28
Current Assets			
Inventories	17	3,113.29	2,140.24
Trade Receivables	18	313.98	165.01
Cash and Bank Balances	19	102.48	55.53
Short-Term Loans and Advances	20	1,379.33	690.99
Other Current Assets	21	15.93	13.87
		4,925.01	3,065.64
		11,349.59	8,602.92

The accompanying notes are an integral part of these financial statements

1 - 53

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD JANUARY 01, 2013 TO MARCH 31, 2014

(₹ in Crores)

	Note	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
INCOME			
Revenue from Operations	22	11,577.44	6,987.73
Other Income	23	27.74	27.70
Total Revenue		11,605.18	7,015.43
EXPENDITURE			
Cost of Materials Consumed		21.85	25.21
Purchases of Stock-in-Trade		8,498.87	4,815.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(23.07)	(395.93)
Employee Benefits Expense	25	423.94	336.31
Finance Costs	26	692.54	460.41
Depreciation and Amortization Expense	14	404.34	311.87
Other Expenses	27	1,616.10	1,430.73
Total Expenses		11,634.57	6,983.71
Profit/(Loss) Before Exceptional Items and Tax		(29.39)	31.72
Exceptional Items	28	30.66	256.60
Profit Before Tax For The Period		1.27	288.32
Tax Expense	40	(1.54)	15.06
Profit After Tax For The Period		2.81	273.26
Earnings Per Equity Share of Face Value of ₹ 2/- each	34		
Basic - Equity Share		0.12	12.08
Basic - Class B (Series-1) Share		0.16	12.12
Diluted - Equity Share		0.12	12.08
Diluted - Class B (Series-1) Share		0.16	12.12
The accompanying notes are an integral part of these financial statements	1 - 53		

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Significant Accounting Policies

A. Basis of Preparation

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified).

B. Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognized in future periods.

C. Fixed Assets and Depreciation

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

Depreciation is provided on straight line basis at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except leasehold improvements which are amortized over the lease period and employee perquisite related assets which are depreciated over three years.

Computer software is amortized over six years. Fixed assets, individually costing less than Rupees Five thousands are fully depreciated in the year of purchase. Depreciation on the fixed assets added/disposed off/discarded during the period is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

D. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost, which includes acquisition charges such as brokerage, stamp duty, taxes etc.

Current Investments are stated at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

E. Inventories

Inventories are valued at lower of cost, computed on weighted average basis, and net realizable value.

Cost of inventories comprises all costs of purchases and other costs incurred in bringing the inventories to their present condition and location.

Materials and other items held for use in the production of inventories are written down below cost only if the finished products in which they will be used are expected to be sold below cost.

F. Foreign Currency Transaction

Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the balance sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognized in the statement of profit and loss in the reporting period in which the exchange rate changes. Premium/Discount on foreign exchange contracts are recognized as an expense/income over the life of the contract.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

G. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period they occur in the Statement of Profit and Loss.

H. 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. Sales are recognized when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts and VAT. Revenue from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax (If applicable). Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate. Dividend income is recognized when right to receive is established.

I. Retirement and Other Employee Benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the statement of profit and loss for the period in which the service is rendered.

Employee benefits under defined benefit plans and other long term employee benefits such as gratuity and compensated absences which fall due for payment after completion/cessation of employment or after a period of twelve months from rendering service are measured by the projected unit credit method, based on actuarial valuations at each balance sheet date carried out by independent actuaries. The company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

J. Taxation

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

L. 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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

M. Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2 Share Capital

	As at March 31, 2014		As at December 31, 2012	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Authorised				
Equity Shares of ₹ 2/- each	45,00,00,000	90.00	45,00,00,000	90.00
Equity Shares of Class B (Series -1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
Preference Shares of ₹ 100/- each	30,00,000	30.00	30,00,000	30.00
	50,30,00,000	130.00	50,30,00,000	130.00
Issued				
Equity Shares of ₹ 2/- each	21,56,64,839	43.13	21,56,64,839	43.13
Equity Shares of Class B (Series -1) of ₹ 2/- each	1,59,29,152	3.19	1,59,29,152	3.19
	23,15,93,991	46.32	23,15,93,991	46.32
Subscribed and Paid up				
Equity Shares of ₹ 2/- each	21,56,53,439	43.13	21,56,53,439	43.13
Equity Shares of Class B (Series -1) of ₹ 2/- each	1,59,29,152	3.19	1,59,29,152	3.19
	23,15,82,591	46.32	23,15,82,591	46.32

(i) Reconciliation of Number of Shares

Equity Share of ₹ 2/- each

Particulars	As At	As At
	March 31, 2014	December 31, 2012
	Number of Shares	Number of Shares
Opening Balance	21,56,53,439	20,11,42,539
Shares Issued	-	81,63,265
Shares Issued on Conversion of Preference Shares	-	63,47,635
Closing Balance	21,56,53,439	21,56,53,439

Equity Shares of Class B (Series -1) of ₹ 2/- each

Particulars	As At	As At
	March 31, 2014	December 31, 2012
	Number of Shares	Number of Shares
Opening Balance	1,59,29,152	1,59,29,152
Shares Issued	-	-
Closing Balance	1,59,29,152	1,59,29,152

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

0.01% Compulsory Convertible Preference Shares of ₹ 100/- each

Particulars	As At	As At
	March 31, 2014	December 31, 2012
	Number of Shares	Number of Shares
Opening Balance	-	63,47,635
Converted into Equity Shares	-	63,47,635
Closing Balance	-	-

(ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series-1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series -1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series-1) shares held in case of voting by poll/ballot. Each holder of Class B (Series-1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series-1) Share upto 2% without declaring any dividend for Equity Shares.

All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

(iii) The Company does not have any holding Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholders	As at March 31, 2014		As at December 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Future Corporate Resources Limited	8,92,90,093	41.40	8,20,32,726	38.04
PIL Industries Limited	1,46,77,448	6.81	1,21,11,692	5.62
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	2,01,37,118	9.34	2,01,37,118	9.34
Bennett, Coleman and Company Limited	1,25,66,477	5.83	1,25,66,477	5.83
Equity Shares of Class B (Series-1) Shares				
PIL Industries Limited	29,38,034	18.44	29,27,885	18.38
Gargi Developers Private Limited	28,00,000	17.57	28,00,000	17.57
Manz Retail Private Limited	9,71,756	6.10	9,71,756	6.10

(v) Pursuant to the provisions of Section 206A of the Companies Act, 1956, the issue of 11,400 equity shares is kept in abeyance.

(vi) Shares allotted as fully paid up without payment received in cash (during 5 years preceding March 31, 2014).

Allotted 59,28,818 Equity Shares of ₹ 2/- each and 63,47,635, 0.01% Compulsory Convertible Preference Shares of ₹ 100/- each as fully paid up pursuant to Scheme of Arrangement.

(vii) The Company has reserved issuance of 25,00,000 (2012 : NIL) Equity Shares of ₹ 2/- each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). During the period, Company has granted 2,76,279 (2012 : NIL) revised to 3,05,192 options, post corporate action affecting option value and transfer of certain options to Future Lifestyle Fashions Limited due to transfer of the employees pursuant to Scheme of Arrangement, to the eligible employees at exercise price of ₹ 20/- per option, again revised post corporate action to exercise price of ₹ 10/- per option plus all applicable taxes, as may be levied in this regard on the company. Out of the options granted, 11,798 options were cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
3 Reserve and Surplus		
Capital Reserve		
Opening Balance	163.26	63.26
Add : Forfeiture of Share Warrants	-	100.00
Add: On Composite Schemes of Arrangements (Refer Note No. 37)	372.42	-
	535.68	163.26
Securities Premium Reserve		
Opening Balance	2,226.40	1,965.82
Add : Issue of Equity Shares	-	198.37
Conversion of Preference Shares	-	62.21
	2,226.40	2,226.40
Debenture Redemption Reserve		
Opening Balance	129.38	60.00
Add: Transferred from Statement of Profit and Loss	120.00	69.38
Add: On Composite Schemes of Arrangements (Refer Note No. 37)	18.75	-
	268.13	129.38
Share Options Outstanding Account		
Charge For The Year (Refer Note No. 49)	3.07	-
	3.07	-
General Reserve		
Opening Balance	103.13	75.80
Add: Transferred from Statement of Profit and Loss	0.28	27.33
	103.41	103.13
Statement of Profit and Loss		
Opening Balance	654.07	506.35
Add: Profit for the period	2.81	273.26
Less: On Composite Schemes of Arrangements (Refer Note No. 37)	451.62	-
Less: Appropriation		
Excess Provision Reversal of Tax on Dividend	-	(0.85)
Transferred to Debenture Redemption Reserve	120.00	69.38
Transferred to General Reserve	0.28	27.33
Proposed Dividend on Equity Share	13.97	25.54
Tax on Dividend	2.37	4.14
	68.64	654.07
	3,205.33	3276.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
4 Optionally Fully Convertible Debentures	-	800.00
The Optionally Convertible Debentures (OFCDs) allotted on June 14, 2012, have face value of ₹ 1,00,00,000/- per debenture and carry coupon rate of 9.75% p.a. payable only in case of its redemption. OFCDs holders have option of conversion into equity shares of the Company at a price of ₹ 245/- per share, as per terms of issue and if not converted before expiry of 18 months from the date of allotment, OFCDs shall be redeemed on the last date of 18 months from the date of allotment of OFCDs. The OFCDs can be redeemed earlier with mutual consent of the OFCDs holders and Company.		
5 Compulsory Convertible Debentures	150.00	-
The Company has issued and allotted on February 13, 2014 1500 Compulsorily Convertible Debentures (CCDs) having face value of ₹ 10,00,000 each carrying coupon rate of 5% p.a. CCDs have been issued, effective from February 11, 2014 pursuant to the Scheme of Amalgamation (the "Scheme") pursuant to section 391 to 394 of the Companies Act, 1956 between the Company and Future Value Retail Limited (FVRL) in lieu of Compulsory Convertible Debentures held by investors in FVRL. CCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the 4 (four) weeks preceding the respective Conversion Date. CCDs can be redeemed in the manner provided in the CCDs Subscription Agreement, as amended from time to time.		
Optionally Convertible Debentures	250.00	-
The Company has issued and allotted on February 13, 2014 1000 Optionally Convertible Debentures – Series 1 (OCDs-Series 1) having face value of ₹ 10,00,000 each and 1500 Optionally Convertible Debentures – Series 2 (OCDs-Series 2) having face value of ₹ 10,00,000 each (collectively hereinafter referred to as "OCDs") carrying coupon rate of 12.50% p.a. OCDs have been issued effective from deemed date of allotment, March 15, 2013 pursuant to the Scheme of Amalgamation (the "Scheme") pursuant to section 391 to 394 of the Companies Act, 1956 between the Company and Future Value Retail Limited (FVRL) in lieu of Compulsory Convertible Debentures held by investors in FVRL. OCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the 4 (four) weeks preceding the respective Conversion Date. OCDs shall be redeemed in terms of the OCDs Subscription Agreement as amended from time to time, if no conversion option is exercised.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
6 Long-Term Borrowings		
Secured		
Non-Convertible Debentures	1,952.50	925.00
Term Loans from Banks	1,802.70	929.42
	3,755.20	1854.42
a) Non-Convertible Debentures referred above to the extent of		
i) ₹ 750 Crores (2012: ₹ 700 Crores) are secured by First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders), carries coupon rate of 11.50% per annum and are redeemable at par, in one or more installments as ₹ 250 Crores in FY 2014-15, ₹ 250 Crores in 2015-16 and ₹ 250 Crores in 2016-17.		
ii) ₹ 225 Crores (2012: ₹ 225 Crores) are secured by Pledge of shares of subsidiary companies, carries coupon rate of 12.10% per annum and are redeemable at par, in one or more installments as ₹ 22.50 Crores in FY 2014-15, ₹ 22.50 Crores in 2015-16, ₹ 67.50 Crores in 2016-17 and ₹ 112.50 Crores in 2017-18.		
iii) ₹ 600 Crores (2012: ₹ NIL) are secured by First Pari-Passu charge on movable and immovable Fixed Assets of the company excluding assets charged to exclusive charge lenders, carries coupon rate of 11.50% per annum and are redeemable at par, in two installments as ₹ 240 Crores in FY 2017-18 and ₹ 360 Crores in 2018-19.		
iv) ₹ 375 Crores (2012: ₹ NIL) are secured by First Pari-Passu charge on movable and immovable Fixed Assets of the company excluding assets charged to exclusive charge lenders and excluding specific immovable properties, carries coupon rate of 11.50% per annum and are redeemable at par, in two installments as ₹ 150 Crores in FY 2017-18 and ₹ 225 Crores in 2018-19.		
v) ₹ 275 Crores (2012 ₹ NIL) are secured by Primary Security - First charge on identified Intellectual Property Mortgaged Assets (including Brands/ sub brands/ logos) / format / product and services / trademark/ copy rights etc. till the perfection of final security. Final Security- First pari passu charge in favour of debenture trustee (along with existing lenders) on movable tangible fixed assets both present and future and immovable properties of the company, carries coupon rate of 13.00% per annum and are redeemable at par, in one or more installments as ₹ 96.25 Crores in FY 2016-17, ₹ 96.25 Crores in FY 2017-18 and ₹ 82.50 Crores in 2018-19.		
b) Term Loan from Banks referred above to the extent of		
i) ₹ 57.44 Crores (2012: ₹ NIL) are secured by (a) First Pari Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders) (b) First Pari Passu charge on Credit/Debit Card Receivables of all the stores (c) Second Pari Passu charge on Current Assets.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
ii) ₹ 297.23 Crores (2012: ₹ NIL) are secured by (a) First Pari Passu charge on Fixed Assets (b) First Pari Passu charge on escrowed Credit & Debit card receivables of specific Big Bazaar stores.		
iii) ₹ 114.79 Crores (2012: ₹ NIL) are secured by (a) First Pari Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders) (b) Second Pari Passu charge on Current Assets excluding Deposits.		
iv) ₹ 285.79 Crores (2012: ₹ 118.03 Crores) are secured by First Pari Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders)		
v) ₹ 24.33 Crores (2012: ₹ NIL) are secured by Pari Passu First charge on movable fixed assets (present & future) of the stores (excluding specific fixed assets charged in favour of exclusive charge lenders)		
vi) ₹ 217.32 Crores (2012: ₹ NIL) are secured by (a) First Pari Passu charge on Fixed Assets (present and future) except assets exclusively charged to other lenders (b) Second Pari-Passu Charge on Current Assets of the Company (present and future)		
vii) ₹ 149.74 Crores (2012: ₹ NIL) are secured by First Pari Passu charge on Fixed Assets, present and future of the stores excluding assets charged in exclusive basis to exclusive charge lenders.		
viii) ₹ 99.58 Crores (2012: ₹ NIL) are secured by First Passu charge on Fixed Assets, present and future, excluding specific immovable properties.		
ix) ₹ 150.00 Crores (2012: ₹ NIL) are secured by First Passu charge on the net block of the company excluding specific immovable properties and current assets both present & future and post dated cheques of ₹150 Crores.		
x) ₹ 37.50 Crores (2012: ₹ NIL) are secured by Fixed Assets (movable & immovable) both present & future, excluding specific immovable properties.		
xi) ₹ 151.50 Crores (2012: ₹ NIL) are secured by Second Pari passu charge on the fixed & current assets of the company.		
xii) ₹ 156.87 Crores (2012: ₹ NIL) are secured by (a) Residual charge on Fixed Assets & Current Assets (b) First Pari Passu charge on escrowed Credit & Debit card receivables of specific Big Bazaar stores.		
xiii) ₹ 75.76 Crores (2012: ₹ 193.58 Crores) are secured by Residual charge on Fixed Assets and Current Assets.		
xiv) ₹ 151.50 Crores (2012: ₹ NIL) are secured by Residual charge on all movable fixed assets and current assets both present and future and post dated cheques		
xv) ₹ 175.00 Crores (2012: ₹ NIL) are secured by Residual charge on Fixed assets both present & future (movable & immovable) excluding specific immovable properties and Current Assets & post dated cheques for the installments due under the loan,		
xvi) ₹ 150.00 Crores (2012: ₹ NIL) are secured by (a) Subservient charge on fixed assets (including immovable properties) and current assets both present and future, (b) post dated cheques for ₹ 150 Crores and (c) Mortgage of immovable property, corporate guarantee and pledge of certain investments held by associate company.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
xvii) ₹ NIL (2012: ₹ 299.75 Crores) are secured by (a) First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders). (b) Second Pari passu charge on the Current Assets.		
xviii) ₹ NIL (2012: ₹ 363.77 Crores) are secured by (a) First Pari-Passu charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders). (b) First charge on Future Credit/Debit card receivables of "Pantaloons Megastores" through escrow mechanism.		
xix) ₹ NIL (2012: ₹ 29.43 Crores) are secured by Third Pari Passu charge on Fixed and Current Assets.		
xx) ₹ NIL (2012: ₹ 226.39 Crores) are secured by (a) Residual Charge on Fixed Assets and Current Assets. (b) First charge on Future Credit/Debit card receivables of "Pantaloons Megastores" through escrow mechanism.		
xxi) ₹ 1,332.85 Crores are secured by personal guarantee of promoter directors.		
xxii) Term Loans are repayable as follows: ₹ 491.65 Crores in FY 2014-15, ₹ 585.83 Crores in 2015-16, ₹ 448.36 Crores in 2016-17, ₹ 408.88 Crores in 2017-18, ₹ 207.58 Crores in 2018-19, and ₹ 116.06 Crores in 2019-20 and ₹ 35.99 Crores in 2020-21.		
Installments falling due in respect of all the above loans upto 31.03.2015 aggregating ₹ 764.15 Crores have been grouped under current maturities of long-term borrowings.		
Weighted average rate of interest on the Term Loans is 12.58 % .		
7 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
On Fixed Assets	281.90	181.23
Deferred Tax Assets		
Disallowances under Income Tax Act/Carry Forward of Business Losses and Unabsorbed Depreciation	101.72	86.24
	180.18	94.99
8 Other Long-Term Liabilities		
Debentures Application Money	-	150.00
	-	150.00
9 Long-Term Provisions		
Provision for Employee Benefits	16.03	5.32
	16.03	5.32
10 Short-Term Borrowings		
Secured		
Term Loans from Banks	300.00	74.89
Working Capital Loans from Banks	965.85	430.04
	1,265.85	504.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
Unsecured		
Loans from Related Parties	82.75	46.25
	82.75	46.25
	1,348.60	551.18
Secured		
A) Term Loans from Banks referred above to the extent of		
i) ₹ NIL (2012: ₹ 74.89 Crores) are secured by a) Subservient charge on Fixed Assets & Current Assets b) Mortgage of immovable property, corporate guarantee and pledge of certain investments held by associate company and personal guarantee of promoter directors.		
ii) ₹ 50.00 Crores (2012: ₹ NIL) are secured by Subservient charge on fixed (movable & immovable) and current asset both present and future and personal guarantee of promoter director.		
iii) ₹ 100.00 Crores (2012: ₹ NIL) are secured by Residual charge on Fixed assets (movable & immovable properties) excluding specific immovable properties and Current Assets both present and future and post dated cheques and personal guarantee of promoter directors.		
iv) ₹ 150.00 Crores (2012: ₹ NIL) are secured by Subservient charge on tangible fixed assets (movable as well as immovable properties) excluding specific immovable properties and tangible current asset both present and future and post dated cheques and personal guarantee of promoter director.		
v) Weighted average rate of interest on the Term Loans is 13.08 %		
B) Working Capital Loans from Banks referred above to the extent of		
i) ₹ 598.03 Crores (2012: ₹ 430.04 Crores) are secured by (a) First Pari-Passu Charge on Current Assets (excluding credit/debit card receivables) (b) Second Pari Passu charge on Credit / Debit Card Receivables of all the Stores (c) Second Pari Passu Charge on the fixed Assets.		
ii) ₹ 50 Crores (2012: ₹ NIL) are secured by Subservient charge on Fixed and Current Assets.		
iii) ₹ 122.34 Crores (2012: ₹ NIL) are secured by Residual charge on Fixed and Current Assets (present and future).		
iv) ₹ 45.52 Crores (2012: ₹ NIL) are secured by Subservient charge on Current Assets and personal guarantee of promoter directors.		
v) ₹ 149.96 Crores (2012: ₹ NIL) are secured by (a) First Pari-Passu Charge on Current Assets (excluding credit/debit card receivables) (b) Second Pari Passu Charge on the fixed Assets (excluding specific immovable properties)		
11 Trade Payables		
Trade Payables (Refer Note No. 41)	1,224.02	810.02
	1,224.02	810.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
12 Other Current Liabilities		
Current Maturities of Long-Term Borrowings	764.15	301.53
Interest Accrued but Not Due on Borrowings	189.42	94.71
Unclaimed Dividends*	0.41	0.41
Other Payables#	200.09	584.26
	1,154.07	980.91
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditures, Advance from customers, etc.		
13 Short-Term Provisions		
Provision for Employee Benefits	3.50	3.85
Proposed Dividend	13.97	25.54
Tax on Dividend	2.37	4.14
	19.84	33.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

14 Fixed Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTIZATION			NET BLOCK		
	As at January 01, 2013	Additions#	Deductions#	As at March 31, 2014	Up to December 31, 2012	Adjustment for the period#	For the period	Up to March 31, 2014	As at March 31, 2014	As at December 31, 2012
(A) Tangible Asset										
Freehold Land	4.83	-	-	4.83	-	-	-	-	4.83	4.83
Leasehold Land	1.17	-	-	1.17	0.20	-	0.02	0.22	0.95	0.97
Building	0.03	0.17	-	0.20	0.01	-	0.01	0.02	0.18	0.02
Leasehold Improvement	556.54	908.16	462.42	1,002.28	117.71	105.65	118.93	130.99	871.29	438.83
Plant and Equipments	290.56	536.12	212.30	614.38	37.24	24.93	26.96	39.27	575.11	253.32
Office Equipments	31.81	33.08	18.87	46.02	7.16	4.10	3.09	6.15	39.87	24.65
Computers	135.42	88.86	32.29	191.99	77.89	15.48	36.71	99.12	92.87	57.53
Furniture and Fittings	1,142.02	1,451.20	842.21	1,751.01	193.32	141.15	112.59	164.76	1,586.25	948.70
Electrical Installations	523.96	861.93	386.77	999.12	70.84	51.56	44.27	63.55	935.57	453.12
Vehicles	7.53	2.66	2.60	7.59	3.21	2.08	0.80	1.93	5.66	4.32
Total	2,693.87	3,882.17	1,957.46	4,618.58	507.58	344.95	343.39	506.01	4,112.58	2,186.29
(B) Intangible Asset										
Computer Software	220.36	207.44	24.16	403.64	123.34	8.32	60.95	175.97	227.67	97.02
Total	220.36	207.44	24.16	403.64	123.34	8.32	60.95	175.97	227.67	97.02
Grand Total	2,914.23	4,089.62	1,981.62	5,022.23	630.92	353.27	404.34	681.98	4,340.25	2,283.31
Previous Year	1,877.66	1,170.02	133.45	2,914.23	410.64	91.58	311.87	630.92	2,283.31	1,467.02

includes on Composite Schemes of Arrangements (Refer Note No. 37)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014		As at December 31, 2012	
15 Non-Current Investments				
Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated				
Investments in Equity Instruments				
Quoted				
Associates				
49,37,935 Equity shares of Galaxy Entertainment Corporation Limited	19.03		19.03	
Less : Provision	15.79	3.24	15.79	3.24
Others				
15,00,00,000 Equity Shares of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) of ₹ 6/- each (2012 ₹ 10/- each)		90.38		147.78
63,46,980 Equity Shares of Centrum Capital Limited of ₹ 1/- each*		11.50		-
3,05,70,108 (2,57,31,399) Equity Shares of Future Lifestyle Fashions Limited (Formerly known as Future Value Fashion Retail Limited) of ₹ 2/- each*		333.65		5.15
Unquoted				
Subsidiary Companies				
NIL (3,51,00,000) Equity Shares of Future Agrovvet Limited		-		35.10
1,91,60,000 Equity Shares of Futurebazaar India Limited		19.16		19.16
1,69,98,000 Equity Shares of Future E-Commerce Infrastructure Limited		17.00		17.00
4,46,97,790 Equity Shares of Future Knowledge Services Limited	44.70		44.70	
Less : Provision	14.33	30.37	14.33	30.37
2,82,65,550 Equity Shares of Future Learning and Development Limited	28.26		28.26	
Less : Provision	5.27	22.99	5.27	22.99
2,74,62,962 Equity Shares of Future Supply Chain Solutions Limited		64.50		64.50
2,73,78,746 Equity Shares of Future Media (India) Limited		36.65		36.65
6,68,624 Equity Shares of Home Solutions Retail (India) Limited	3.61		3.61	
Less : Provision	3.61	-	3.61	-
NIL (6,64,99,912) Equity Shares of Future Value Retail Limited*		-		978.50
50,000 Equity Shares of Future Home Retail Limited (Formerly known as nuZone Electronic Limited)		0.05		0.05
50,000 Equity Shares of nuZone Ecommerce Infrastructure Limited		0.05		0.05
2,40,000 Equity Shares of Winner Sports Limited	27.38		27.38	
Less : Provision	6.94	20.44	6.94	20.44
32,20,133 (21,19,394) Equity Shares of Staples Future Office Products Limited		27.92		27.91
10,00,000 Equity Shares of Future Freshfoods Limited*	9.89			
Less : Provision*	9.89	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
Joint Ventures		
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	73.64	73.64
18,10,50,000 (14,28,00,000) Equity Shares of Future Generali India Insurance Company Limited	181.05	142.80
4,35,60,000 (31,18,65,000) Equity Shares of Future Generali India Life Insurance Company Limited	43.56	311.87
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	70.30	70.30
17,86,99,931 (14,17,74,931) Equity Shares of Sprint Advisory Services Private Limited	178.70	141.77
8,74,95,000 (6,91,20,000) Equity Shares of Shendra Advisory Services Private Limited	87.50	69.12
39,40,625 (40,625) Equity Shares of Integrated Food Park Private Limited	3.94	0.04
In Preference Shares		
Unquoted		
Subsidiary		
7,60,000 0.01% Non-Cumulative Redeemable Preference Shares of Winner Sports Limited	0.76	0.76
10,00,000 0.01% Non-Cumulative Compulsory Convertible Preference Shares (Series -2) of Future E-Commerce Infrastructure Limited	13.15	-
Others		
11,92,759 0.01% Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited	1.19	1.19
In Compulsorily Convertible Debentures - Unquoted		
Subsidiary		
NIL (350) 5% Unsecured Compulsorily Convertible Debentures of Future Value Retail Limited of ₹ 10 lacs / each*	-	42.22
Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated		
Quoted		
Others		
64,79,848 Equity Shares of Capital First Limited (Formerly Known as Future Capital Holdings Limited)	11.09	11.09
Unquoted		
Others		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less : Provision	0.08	0.08
NIL (20,000) Equity Shares of Kalyan Janata Sahakari Bank Limited of ₹ 25/- each	-	0.05
35,78,278 Equity Shares of Pan India Food Solutions Private Limited	3.58	3.58
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	2.90	2.90
5 Shares of Y.A. Chunawala Industrial Co-op Society Limited	0.00	0.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
In Government and Other Securities		
Unquoted		
National Saving Certificates (Deposited with Sales Tax Authorities)	0.04	0.01
LIC Mutual Fund Liquid Plan	0.22	-
	1,349.52	2,280.23
Note:		
1 Aggregate Amount of Quoted Investments	465.65	177.90
2 Market Value of Quoted Investments	382.86	275.44
3 Aggregate Amount of Unquoted Investments	939.78	2,148.35
4 Aggregate Amount of Diminution in Value of Investments	55.91	46.02
* On Composite Schemes of Arrangements (Refer Note No. 37)		
16 Long-Term Loans and Advances		
(Unsecured, Considered Good)		
Capital Advances	21.60	113.37
Loans and Advances to		
Others*	187.76	85.54
Deposits to		
Related Parties	14.77	222.06
Others	146.86	343.04
	370.99	764.01
* Includes Share Application Money, Deduction/Payment of Income Tax (Net of Provisions etc.)		
17 Inventories		
Raw Materials	2.31	-
Work-in-Progress	1.89	-
Stock-in-Trade [(Goods-in-Transit of ₹ 78.19 Crores (2012: ₹ 61.90 Crores)]	3,104.65	2,129.80
Finished Goods	-	5.24
Packing Materials	4.44	5.20
	3,113.29	2,140.24
18 Trade Receivables		
Unsecured, Considered Good		
Outstanding for a period more than six months from the date they are due for payment	44.93	18.74
Other Debts	269.05	146.27
	313.98	165.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
19 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	62.47	21.80
Cheques on Hand	2.13	2.34
Cash on Hand	32.18	7.34
Other Bank Balances		
Dividend Account	0.41	0.41
Earmarked Balances with Banks *	5.29	23.59
Short-Term Bank Deposits	-	0.05
	102.48	55.53
*Include deposits of ₹ 0.29 Crores (2012: ₹ 0.37 Crores) with maturity of more than 12 months.		
20 Short-Term Loans and Advances		
(Secured, Considered Good)		
Loans and Advances	127.25	178.07
	127.25	178.07
(Unsecured, Considered Good)		
Loans and Advances to		
Related Parties	383.21	63.11
Others *	452.84	334.57
Deposits to		
Related Parties	182.16	115.24
Others	233.86	-
	1,252.08	512.92
	1,379.33	690.99
*Includes balances with government authorities, advance to suppliers, prepaid expenses etc.		
21 Other Current Assets		
Interest Receivable	-	0.90
Other Receivables*	15.93	12.97
	15.93	13.87
*Includes Insurance Claim Receivables.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
22 Revenue from Operations		
Sale of Products	12,051.36	7,204.66
Less: Vat, Sales Tax	715.20	432.79
Less: Excise Duty	-	0.09
Other Operating Revenues	241.28	215.95
	11,577.44	6,987.73
23 Other Income		
Interest Income	15.35	7.91
Dividend on Non Current Investments	2.96	10.29
Provision Written Back	2.68	0.48
Miscellaneous Income	6.75	9.02
	27.74	27.70
24 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Inventories		
Finished Goods	5.24	6.31
Stock-in-Trade	2,129.80	1,729.54
Work-in-Progress	-	3.26
Add: On Composite Schemes of Arrangements (Refer Note No. 37)	948.43	-
Closing Inventories		
Finished Goods	-	5.24
Stock-in-Trade	3,104.65	2,129.80
Work-in-Progress	1.89	-
	(23.07)	(395.93)
25 Employee Benefits Expense		
Salaries and Wages	381.58	309.17
Contribution to Provident and Other Funds	20.48	13.45
Expense on Employee Stock Option Scheme (Refer Note No. 49)	3.07	-
Staff Welfare Expenses	18.81	13.69
	423.94	336.31
26 Finance Costs		
Interest Expense	683.84	450.34
Other Borrowing Costs	8.70	10.07
	692.54	460.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
27 Other Expenses		
Consumption of Stores and Spare Parts	0.30	0.65
Power and Fuel	180.78	126.37
Repairs and Maintenance		
Building	7.03	0.04
Machinery	0.37	3.60
Others	26.25	26.33
Insurance	4.49	3.41
Rates and Taxes	7.75	14.78
Rent Including Lease Rentals	640.61	736.13
Advertisement and Marketing	157.44	137.41
Loss on Disposal/Discard of Fixed Assets (Net)	55.49	29.74
Bad Debts Written Off	10.39	7.51
Exchange Fluctuation Loss (Net)	16.46	5.50
Miscellaneous Expenses	508.74	339.26
	1,616.10	1,430.73
28 Exceptional Items		
Net Gain on Sale of Non-Current Investments	30.81	302.62
Provision for Diminution in Value of Investments	(0.15)	(46.02)
	30.66	256.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29 As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

A. Change in Present Value of Obligation

(₹ in Crores)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12
Present Value of the Obligation at the Beginning of Period	2.68	2.43	4.30	2.75	4.87	3.61
Pursuant to Scheme of Arrangement	0.52	-	5.38	-	5.04	-
Contribution Paid	0.07	-	(0.07)	-	-	-
Interest Cost	-	-	1.29	0.68	0.99	0.47
Current Service Cost	-	-	4.65	2.92	3.23	1.89
Benefits Paid	-	-	3.44	1.58	4.50	3.33
Actuarial (Gain)/Loss on Obligations	0.57	0.25	(0.91)	(0.47)	(1.30)	2.23
Present Value of the Obligation at the End of Period	3.84	2.68	11.20	4.30	8.33	4.87
Fair Value of Plan Assets	3.84	2.68	-	-	-	-
Un-Funded Liability	-	-	11.20	4.30	8.33	4.87

Including transferred liability

B. Amount Recognized in the Balance Sheet

(₹ in Crores)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12
Present Value of the Obligation	3.84	2.68	11.20	4.30	8.33	4.87
Fair Value of Plan Assets	3.84	2.68	-	-	-	-
Un-Funded Liability	-	-	11.20	4.30	8.33	4.87
Unrecognized Actuarial Gains/ Losses	-	-	-	-	-	-
Un-Funded Liability Recognized in Balance Sheet	-	-	11.20	4.30	8.33	4.87

C. Amount Recognized in the Profit and Loss Account

(₹ in Crores)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12
Interest Cost	-	-	1.29	0.68	0.99	0.47
Current Service Cost	-	-	4.65	2.92	3.23	1.89
Actuarial (Gain)/Loss on Obligations	-	-	(0.91)	(0.47)	(1.30)	2.23
Actual Return on Plan Assets	0.57	0.25	-	-	-	-
Total Expense Recognized in the Profit and Loss Account	0.57	0.25	5.03	3.13	2.92	4.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

D. Reconciliation of Balance Sheet

(₹ in Crores)

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Leave Encashment (Un-Funded)	
	2013-14	2011-12	2013-14	2011-12	2013-14	2011-12
Present Value of the Obligation at the Beginning of Period	2.68	2.43	4.30	2.75	4.87	3.61
Pursuant to Scheme of Arrangement	0.52	-	5.38	-	5.04	-
Total Expense Recognized in the Profit and Loss Account	0.57	0.25	5.03	3.13	2.92	4.59
Contribution Paid	0.07	-	(0.07)	-	-	-
Benefit Paid During the Period	-	-	3.44	1.58	4.50	3.33
Fair Value of Plan Assets	3.84	2.68	-	-	-	-
Present Value of the Obligation at the End of Period	3.84	2.68	11.20	4.30	8.33	4.87

Including transferred liability

E. Experience Adjustments

(₹ in Crores)

Particulars	June 30, 2009	June 30, 2010	June 30, 2011	December 31, 2012	March 31, 2014
Defined Benefit Obligation	5.55	3.19	5.18	6.98	15.04
Plan Assets(Including Bank Balance)	2.05	2.23	2.43	2.68	3.84
Surplus/(Deficit)	(3.50)	(0.96)	(2.75)	(4.30)	11.20
Experience Adjustments on Plan Liabilities	(0.90)	(3.52)	(0.47)	(0.22)	(0.34)
Experience on Plan Assets	0.05	0.01	0.03	0.02	0.32

F. The Assumptions Used to Determine the Benefit Obligations are as follows

Particulars	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%
Expected Rate of Increase in Compensation Levels	5.00%	5.00%
Expected Rate of Return on Plan Assets	NA	NA

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

30 Leases

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 442.50 Crores (2012: ₹ 1025.22 Crores). The Lease Rent payable not later than one year is ₹ 178.99 Crores (2012: ₹ 439.26 Crores), payable later than one year but not later than five year is ₹ 229.06 Crores (2012: ₹ 528.88 Crores) and payable later than five years is ₹ 34.45 Crores (2012: ₹ 57.08 Crores).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31 Related Party Disclosures

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

A. List of Related Parties

1. Subsidiary Companies

- i. Futurebazaar India Limited
- ii. Future Knowledge Services Limited
- iii. Future Media (India) Limited
- iv. Future Agrovet Limited (till November 11, 2013)
- v. Future Supply Chain Solutions Limited
- vi. FSC Brand Distribution Services Limited
- vii. Future Learning and Development Limited
- viii. Home Solutions Retail (India) Limited
- ix. Future Freshfoods Limited
- x. Future E-Commerce Infrastructure Limited
- xi. Future Home Retail Limited (Formerly known as nuZone Electronics Limited)
- xii. nuZone Ecommerce Infrastructure Limited
- xiii. Office Shop Private Limited (w.e.f. February 8, 2013)
- xiv. Staples Future Office Products Limited (w.e.f. February 8, 2013)
- xv. Winner Sports Limited
- xvi. Future Lifestyle Fashions Limited (till June 24, 2013)

2. Associates

- i. Galaxy Entertainment Corporation Limited

3. Joint Ventures

- i. Apollo Design Apparel Parks Limited
- ii. Future Generali India Insurance Company Limited
- iii. Future Generali India Life Insurance Company Limited
- iv. Goldmohur Design and Apparel Park Limited
- v. Integrated Food Park Private Limited
- vi. Sprint Advisory Services Private Limited
- vii. Shendra Advisory Services Private Limited
- viii. Staples Future Office Products Limited (till February 7, 2013)

4. Enterprises over which Key Management Personnel are able to exercises significant influence

- i. Retail Light Techniques India Limited (Formerly known as Asian Retail Lighting Limited)
- ii. Fashion Global Retail Limited
- iii. Future Corporate Resources Limited
- iv. Future Human Development Limited
- v. Future Ideas Company Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- vi. Future Outdoor Media Solutions Limited
- vii. Future Sharp Skills Limited
- viii. Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited)
- ix. Future Lifestyle Fashions Limited (w.e.f. June 25, 2013)
- x. nuFuture Haribhakti Business Services Limited
- xi. nuFuture Digital (India) Limited
- xii. Akar Estate & Finance Private Limited
- xiii. Ryka Commercial Ventures Private Limited
- xiv. Kesari Realty Private Limited
- xv. Vayuputra Realty Private Limited
- xvi. Bansi Mall Management Company Private Limited
- xvii. Central Departmental Stores Private Limited
- xviii. Festive Realty Private Limited
- xix. Iskrupa Mall Management Company Private Limited

5. Key Management Personnel

- i. Mr. Kishore Biyani
- ii. Mr. Rakesh Biyani
- iii. Mr. Vijay Biyani

6. Relatives of Key Management Personnel

- i. Mr. Gopikishan Biyani
- ii. Ms. Ashni Biyani
- iii. Mrs. Godavaridevi Biyani
- iv. Mrs. Sampat Biyani
- v. Mrs. Sangita Biyani
- vi. Mrs. Santosh Biyani

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Transactions with Related Parties

(₹ in Crores)

Nature of Transactions	Subsidiaries	Associates/Joint Ventures	Key Management Personnel Exercise Significant Influence	Key Management Personnel/Relatives
Sale of Goods and Services	30.67 (72.14)	2.29 (3.97)	54.32 (30.36)	- (-)
Sale of Fixed Assets	5.04 (20.69)	- (-)	23.82 (0.09)	- (-)
Purchases of Goods and Services	592.81 (239.78)	317.54 (203.09)	387.63 (136.00)	0.33 (0.75)
Purchases of Fixed Assets	0.15 (54.38)	- (-)	74.73 (21.66)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	12.64 (16.17)
Sale of Investments	- (323.36)	- (-)	- (-)	- (-)
Fresh Investments Made	- (30.37)	133.25 (88.12)	- (-)	- (-)
Dividend Received	- (6.68)	1.79 (3.59)	- (-)	- (-)
Advances Given	3.20 (-)	1.58 (3.83)	3.16 (163.81)	- (-)
Deposits Given	4.65 (-)	- (-)	11.58 (128.80)	- (-)
Deposits Received	- (-)	- (-)	- (0.34)	- (-)
Share Application Money Paid	- (-)	- (18.70)	- (-)	- (-)
Inter Company Deposits Taken	- (-)	72.75 (46.25)	- (-)	- (-)
Outstanding Balances as on March 31, 2014	34.38 (24.41)	4.34 (6.01)	558.41 (378.89)	- (-)
Receivable				
Payable	13.94 (87.97)	83.99 (51.44)	126.58 (6.80)	- (-)

C. Significant Related Party Transactions

- Sale of Goods and Services includes Future Media (India) Limited ₹ 19.51 Crores (2012: ₹ 14.89 Crores), Future E-Commerce Infrastructure Limited ₹ 10.23 Crores (2012: ₹ 12.46 Crores), Future Supply Chain Solutions Limited ₹ 0.32 Crores (2012: ₹ 7.56 Crores), Staples Future Office Products Limited ₹ 0.04 Crores (2012: ₹ 0.70 Crores), Future Value Retail Limited ₹ NIL (2012: ₹ 36.48 Crores), Galaxy Entertainment Corporation Limited ₹ 1.51 Crores (2012: ₹ 1.33 Crores), Future Generali India Insurance Company Limited ₹ NIL (2012: ₹ 0.49 Crores), Future Generali India Life Insurance Company Limited ₹ 0.76 Crores (2012: ₹ 1.45 Crores), Vayuputra Realty Private Limited ₹ 10.01 Crores (2012: ₹ NIL), Iskrupa Mall Management Company Private Limited ₹ 11.30 Crores (2012: ₹ NIL), S.J. Retail Private Limited ₹ NIL (2012: ₹ 9.86 Crores), Future Lifestyle Fashions Limited ₹ 7.16 Crores (2012: ₹ NIL), Future Consumer Enterprise Limited ₹ 9.64 Crores (2012: ₹ 17.95 Crores).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- ii. Sale of Fixed Assets includes Future Supply Chain Solutions Limited ₹ 5.04 Crores (2012: ₹ 9.22 Crores), Future Value Retail Limited ₹ NIL (2012: ₹ 11.47 Crores), Future Corporate Resources Limited ₹ NIL (2012: ₹ 0.01 Crores), Future Human Development Limited ₹ 23.82 Crores (2012: ₹ NIL), S.J. Retail Private Limited ₹ NIL (2012: ₹ 0.08 Crores).
- iii. Purchases and Other Services includes Future Agrovet Limited ₹ 347.55 Crores (2012: ₹ NIL), Future Supply Chain Solutions Limited ₹ 202.46 Crores (2012: ₹ 181.57 Crores), Staples Future Office Products Limited ₹ NIL (2012: ₹ 139.07 Crores), Future Value Retail Limited ₹ NIL (2012: ₹ 39.99 Crores), Apollo Design Apparel Parks Limited ₹ 176.78 Crores (2012: ₹ 33.12 Crores), Goldmohur Design and Apparel Park Limited ₹ 139.17 Crores (2012: ₹ 30.52 Crores), Future Corporate Resources Limited ₹ 95.68 Crores (2012: ₹ 70.65 Crores), Fashion Global Retail Limited ₹ 55.48 Crores (2012: ₹ 43.60 Crores), Future Lifestyle Fashions Limited ₹ 104.02 Crores (2012: ₹ NIL), nuFuture Digital (India) Limited ₹ 44.09 Crores (2012: ₹ NIL), Future Consumer Enterprise Limited ₹ 68.29 Crores (2012: ₹ NIL).
- iv. Purchase of Fixed Assets includes Future Supply Chain Solutions Limited ₹ 0.14 Crores (2012: ₹ 8.42 Crores), Future Value Retail Limited ₹ NIL (2012: ₹ 45.95 Crores), Retail Light Techniques India Limited ₹ 9.19 Crores (2012: ₹ 15.86 Crores), Future Corporate Resources Limited ₹ 33.52 Crores (2012: ₹ NIL), Future Human Development Limited ₹ 31.92 Crores (2012: ₹ 5.80 Crores).
- v. Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.09 Crores (2012: ₹ 5.73 Crores), Mr. Rakesh Biyani ₹ 4.71 Crores (2012: ₹ 5.31 Crores), Mr. Vijay Biyani ₹ 2.84 Crores (2012: ₹ 3.14 Crores), Mr. Kailash Bhatia ₹ NIL (2012: ₹ 1.82 Crores).
- vi. Sale of Investments includes Future Value Retail Limited ₹ NIL (2012: ₹ 323.36 Crores).
- vii. Fresh Investments Made includes Future Media (India) Limited ₹ NIL (2012: ₹ 25.37 Crores), Sprint Advisory Services Private Limited ₹ 28.23 Crores (2012: ₹ 12.25 Crores), Shendra Advisory Services Private Limited ₹ 13.48 Crores (2012: ₹ 10.59 Crores), Future Generali India Insurance Company Limited ₹ 33.15 Crores (2012: ₹ 21.67 Crores), Future Generali India Life Insurance Company Limited ₹ 58.40 Crores (2012: ₹ 43.61 Crores).
- viii. Dividend Received includes Capital First Limited ₹ NIL (2012: ₹ 6.68 Crores), Apollo Design Apparel Parks Limited ₹ 0.88 Crores (2012: ₹ 1.76 Crores), Goldmohur Design and Apparel Park Limited ₹ 0.91 Crores (2012: ₹ 1.83 Crores).
- ix. Advance Given includes Future Freshfoods Limited ₹ 3.20 Crores (2012: ₹ NIL), Future Generali India Life Insurance Company Limited ₹ 0.60 Crores (2012: ₹ NIL), Future Generali India Insurance Company Limited ₹ 0.99 Crores (2012: ₹ NIL), Galaxy Entertainment Corporation Limited ₹ NIL (2012: ₹ 3.83 Crores), Future Corporate Resources Limited ₹ NIL (2012: ₹ 163.81 Crores), Future Sharp Skills Limited ₹ 0.63 Crores (2012: ₹ NIL), Future Ideas Company Limited ₹ 2.53 Crores (2012: ₹ NIL).
- x. Deposit Given includes Future Supply Chain Solutions Limited ₹ 4.65 Crores (2012: ₹ NIL), Bansi Mall Management Company Private Limited ₹ NIL (2012: ₹ 13.80 Crores), Future Corporate Resources Limited ₹ NIL (2012: ₹ 115.00 Crores), Vayuputra Realty Private Limited ₹ 1.85 Crores (2012: ₹ NIL), Central Departmental Stores Private Limited ₹ 4.10 Crores (2012: ₹ NIL), Ryka Commercial Ventures Private Limited ₹ 5.63 Crores (2012: ₹ NIL).
- xi. Deposit Received includes S.J. Retail Private Limited ₹ NIL (2012: ₹ 0.34 Crores).
- xii. Share Application Money Paid includes Sprint Advisory Services Private Limited ₹ NIL (2012: ₹ 8.69 Crores), Future Generali India Insurance Company Limited ₹ NIL (2012: ₹ 5.10 Crores), Shendra Advisory Services Private Limited ₹ NIL (2012: ₹ 4.90 Crores).
- xiii. Inter Company Deposits Taken includes Apollo Design Apparel Parks Limited ₹ 36.00 Crores (2012: ₹ 25.00 Crores), Goldmohur Design and Apparel Park Limited ₹ 36.75 Crores (2012: ₹ 21.25 Crores).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Joint Ventures Information

Joint Venture, as required by (AS-27) "Financial Reporting of Interest in Joint Venture" is given below:

Detail of Joint Venture Interest

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on	Percentage of Interest as on
				March 31, 2014	December 31, 2012
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.50%	25.50%
3	Future Generali India Life Insurance Company Limited	Equity	India	3.00%	25.50%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Integrated Food Park Private Limited	Equity	India	28.86%	26.00%
6	Sprint Advisory Services Private Limited	Equity	India	49.75%	49.75%
7	Shendra Advisory Services Private Limited	Equity	India	49.75%	49.75%
8	Staples Future Office Products Limited (till February 7, 2013)	Equity	India	-	39.49%

Company's Interest in the Joint Ventures

(₹ in Crores)

S. No.	Name of the Company	As on	Assets	Liabilities	For the Period Ended on	Income	Expenditure
1	Apollo Design Apparel Parks Limited	31.03.2014	38.95	2.69	31.03.2014	96.91	91.45
2	Future Generali India Insurance Company Limited	31.03.2014	461.57	360.91	31.03.2014	382.44	370.27
3	Future Generali India Life Insurance Company Limited	31.03.2014	76.07	68.61	31.03.2014	335.40	351.61
4	Goldmohur Design and Apparel Park Limited	31.03.2014	37.97	2.52	31.03.2014	89.23	83.88
5	Integrated Food Park Private Limited	31.03.2014	38.86	22.15	31.03.2014	-	0.03
6	Sprint Advisory Services Private Limited	31.03.2014	354.05	0.00	31.03.2014	0.04	0.04
7	Shendra Advisory Services Private Limited	31.03.2014	173.09	0.00	31.03.2014	0.01	0.07

32 Payment to Auditors (Inclusive of Service Tax)

(₹ in Crores)

Particulars	2013-14	2011-12
Statutory Audit Fees	0.84	0.84
Tax Audit Fees	0.02	0.03
Other Expenses	0.06	0.08
Total	0.92	0.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 27.95 Crores (2012: ₹ 28.22 Crores).

34 Earnings Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on 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	Units	2013-14	2011-12
Profit after Tax	₹ in Crores	2.81	273.26
The Weighted Average Number of Ordinary Shares for Basic EPS	No. in Crores	21.57	21.02
The Weighted Average Number of Class B (Series-1) Shares for Basic EPS	No. in Crores	1.59	1.59
The Weighted Average Number of Ordinary Shares for Diluted EPS	No. in Crores	21.57	21.02
The Weighted Average Number of Class B (Series-1) Shares for Diluted EPS	No. in Crores	1.59	1.59
The Nominal Value Per Share (Ordinary and Class B Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crores	2.56	253.98
Share of Profit for Class B (Series-1) Shares for Basic EPS	₹ in Crores	0.25	19.28
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crores	2.56	253.98
Share of Profit for Class B (Series-1) Shares for Diluted EPS	₹ in Crores	0.25	19.28
Earnings Per Ordinary Share (Basic)	₹	0.12	12.08
Earnings Per Class B (Series-1) Share (Basic)	₹	0.16	12.12
Earnings Per Ordinary Share (Diluted)	₹	0.12	12.08
Earnings Per Class B (Series-1) Share (Diluted)	₹	0.16	12.12

35 Contingent Liabilities

(₹ in Crores)

Particulars	2013-14	2011-12
A. Claims Against the Company Not Acknowledged as Debts		
i) Value Added Tax Act/Income Tax	41.63	5.18
ii) Others	341.63	49.56
B. Corporate Guarantees Given on Behalf of Group Companies	34.54	303.59

36 Segment Reporting

The Company is primarily engaged in the business of Retail Trade, which in terms of Accounting Standard 17 "Segment Reporting" constitutes a single reporting segment.

37 The Scheme of arrangement under the provision of section 391-394 of the Companies Act, 1956 for demerger of Pantaloons Fashion Format ("Pantaloons Scheme") with effect from Appointment Date July 1, 2012 (as defined in Pantaloons Scheme) has been given effect on April 8, 2013. Pursuant to the same, all the assets and liabilities pertaining to Pantaloons Fashion Format has been demerged and vested in Pantaloons Fashion & Retail Limited (Formerly known as Peter England Fashions and Retail Limited). Accordingly, the shares of Pantaloons Fashion & Retail Limited have been issued to the shareholders of the Company as on the April 18, 2013 as per entitlement ratio stated in Pantaloons Scheme.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Composite Scheme of Arrangement and Amalgamation ("Fashion Demerger Scheme") between Future Retail Limited (Formerly known as Pantaloon Retail (India) Limited) ("FRL"), and Future Lifestyle Fashions Limited (Formerly known as Future Value Fashion Retail Limited) (FLFL), Indus-League Clothing Limited ("ILCL"), Lee Cooper (India) Limited ("LEE"), Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) ("FCEL"), and their respective shareholders and creditors ("Fashion Demerger Scheme") under the provision of section 391-394 of the Companies Act, 1956 for demerger of its respective fashion business as defined in the Fashion Demerger Scheme ("Fashion Format Business") with effect from Appointment Date of January 1, 2013 as provided in the said Scheme, has been given effect on May 29, 2013 after receipts of High Court approval. Pursuant to the same, all the assets and liabilities pertaining to the Fashion Format Business has been demerged and vested in FLFL with effect from Effective Date. Accordingly, the shares of FLFL have been issued to the shareholders of the Company as on the June 25, 2013 as per entitlement ratio stated in Fashion Demerger Scheme.

The Scheme of Amalgamation and Arrangement of Future Value Retail Limited (FVRL), a wholly owned subsidiary company with the company under the provision of section 391-394 of the Companies Act, 1956 with effect from Appointed Date of July 1, 2012 as provided in the said Scheme, has been given effect from February 11, 2014. Pursuant to the same, all the assets and liabilities pertaining to FVRL has been merged and vested in the company on February 11, 2014 being the Effective Date, with effect from the Appointed Date. The Company has issued optionally convertible debentures and compulsory convertible debentures to the holders of the compulsory convertible debentures of FVRL equivalent to the face value of debentures held in FVRL. There has been no issuance of shares upon the completion of the merger.

38 The borrowing cost capitalized during the period ended March 31, 2014 was ₹ 36.53 Crores (2012: ₹ 38.68 Crores).

39 Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the company based on legal advice, challenge the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order company has made an aggregate deposit of ₹ 40.85 Crores in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the company is accounting & paying for such service tax regularly as per directives of the Supreme Court. Accordingly the company has not made provision of ₹ 81.70 Crores for the period June 1, 2007 to September 30, 2011 which would be appropriately recognized on final determination.

40 Tax Expense

The tax expense for the period comprises of:

Particulars	(₹ in Crores)	
	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Current Tax	0.25	7.12
Deferred Tax	(1.79)	7.94
Total	(1.54)	15.06

41 There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the period. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42 Value of Imported and Indigenous Materials Consumed

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014		July 01, 2011 to December 31, 2012	
	Value	%	Value	%
Raw Materials				
- Imported	0.08	0.37	0.60	2.38
- Indigenous	21.77	99.63	24.61	97.62
Total	21.85	100.00	25.21	100.00
Store and Spare Parts				
- Imported	0.17	56.67	-	-
- Indigenous	0.13	43.33	0.65	100
Total	0.30	100.00	0.65	100

43 Details of Purchases of Stock-In-Trade

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Apparel	1508.91	3281.10
Non Apparel	6989.96	1534.01
Total	8498.87	4815.11

44 Details of Sales Value of Goods

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Apparel	2552.46	5161.28
Non Apparel	9498.90	2043.38
Total	12051.36	7204.66

45 Particulars of Raw Materials Consumed

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Fabric and Accessories	21.85	25.21
Total	21.85	25.21

46 Value of Imports on CIF Basis

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Raw Materials	0.09	0.27
Stock in Trade	133.80	115.98
Capital Goods	29.76	10.18
Accessories and Others	1.34	1.39

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

47 Expenditure in Foreign Currency (On Accrual Basis)

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Traveling Expenses	2.84	2.21
Professional Charges	2.92	0.74
Interest on Foreign Currency Loan	1.84	1.25
Commission	0.07	Nil
Royalty	1.51	7.38

48 Earnings in Foreign Currency (On Accrual Basis)

(₹ in Crores)

Particulars	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Sales of Products (On FOB Basis)	88.43	85.13

*Includes ₹ 59.39 Crores (2012: ₹ 53.21 Crores) being indirect foreign exchange earnings during the period through credit cards, as certified by the bankers.

49 Employee Stock Option Scheme

Future Retail Limited (FRL) [Formerly known as Pantaloons Retail (India) Limited] has granted options to eligible employees in 2013 under PRIL-Employee Stock Option Scheme 2012 ("ESOS 2012"). In a Scheme of demerger, "FRL" (Demerged Company) has transferred its fashion business under the brand name "Pantaloons" and variations thereof to "Peter England Fashions and Retail Limited" (Resulting Company); demerger scheme has been duly sanctioned by the Bombay High Court in its order dated March 01, 2013.

In a subsequent Scheme of demerger, "FRL" (Demerged Company) has transferred its fashion business carried on under the format brands of Central, Brand Factory and Planet Sports to "Future Lifestyle Fashions Limited"; demerger scheme has been duly sanctioned by the Bombay High Court in its order dated May 10, 2013.

The Employee Stock Options of the company has adjusted for the corporate actions on Value for Value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under –

Sr. No.	Particulars	Details
1	Details of the Meeting	Approved in Shareholders Meeting held on February 04, 2013
2	Approved	25,00,000
3	The Pricing Formula	₹ 20 Revised to ₹ 10 in the Scheme of Demerger*
4	Options Granted*	2,76,279
5	Options Cancelled Before Demerger	14,790
6	Unvested Options Cancelled (Employees Transfer to Future Lifestyle Fashions Limited in Scheme of Demerger)	98,464
7	Option Adjusted in Scheme of Demerger of Entity into Future Lifestyle Fashions Limited*	1,42,167

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sr. No.	Particulars	Details
8	Revised Options after Demerger*	3,05,192
9	Options Exercised	-
10	Options Cancelled	11,798
11	Options Lapsed	-
12	Total Number of Options in Force*	2,93,394
13	Variation in Terms of ESOP	Not Applicable
14	Total Number of Equity Shares Arising as a Result of Exercise of Options	-
15	Money Realised by Exercise of Options (₹ in Crores)	-

B. Weighted Average Fair Value of Options Granted During the Year Whose

(a)	Exercise Price Equals Market Price	-
(b)	Exercise Price is Greater than Market Price	-
(c)	Exercise Price is Less than Market Price*	196.17

Weighted Average Exercise Price of Options Granted During the Year Whose

(a)	Exercise Price Equals Market Price	-
(b)	Exercise Price is Greater than Market Price	-
(c)	Exercise Price is less than Market Price*	10.00

*Value for Value Exchange of Options Under the Scheme of Demerger of Future Lifestyle Fashions Limited from Future Retail Limited

- C. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2011-12 is ₹ 1.09 Crores. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2011-12 would be ₹ 3.70 Crores. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	Units	2013-14
Net Income as Reported	₹ In Crores	2.81
Add: Intrinsic Value Compensation Cost	₹ In Crores	3.07
Less: Fair Value Compensation Cost	₹ In Crores	3.07
Adjusted Pro Forma Net Income	₹ In Crores	2.81
Earnings Per Equity Share: Basic		
As Reported	₹	0.12
Adjusted Pro Forma	₹	0.12
Earnings Per Equity Share: Diluted		
As Reported	₹	0.12
Adjusted Pro Forma	₹	0.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

D. Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:

1. Date of Grant	February 25, 2013
2. Risk Free Interest Rate	7.89%
3. Expected Life	1.59
4. Expected Volatility	65.02%
5. Dividend Yield	0.53%
6. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	215.60

- 50** The Company's inventories were destroyed in a fire on January 30, 2014 at its warehouse situated at Kasaba Hobli, Bangalore. The Company has lodged the claim with the insurance company and the assessment by the insurance company is under process. The Company is adequately insured and has booked a receivable of ₹ 11.78 Crores from the insurance company in respect of the inventory destroyed.
- 51** a. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivate instruments for trading and speculative purposes. Forward contracts outstanding as at March 31, 2014 are ₹ 99.52 Crores (2012: ₹ 24.65 Crores).
- b. As of balance sheet date, the company has net foreign currency exposures (In USD & EURO) that are not hedged by derivative instruments or otherwise amounting to ₹ 29.39 Crores (2012: ₹ 9.94 Crores).
- 52** For the period ended March 31, 2014, the Board of Directors of the Company have recommended dividend of ₹ 0.60 per share (2012: ₹ 1.10) to equity shareholders and ₹ 0.64 per share (2012: ₹ 1.14) to Class B (Series-1) shareholders and aggregating to ₹ 16.34 Crores (2012: ₹ 29.68 Crores) including Dividend Distribution Tax.
- 53** Figures for the previous financial period have been reworked, regrouped, rearranged and reclassified wherever necessary without any restatement on account of demerged business and merger effect given in the current period, figures are not comparable with the previous period on account of extension of the accounting period by 3 months from December 31, 2013 to March 31, 2014 and previous accounting period was for 18 Months.

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

STATEMENT OF CASH FLOW FOR THE PERIOD JANUARY 01, 2013 TO MARCH 31, 2014

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1.27	288.32
Adjusted for:		
Depreciation and Amortization Expense	404.34	311.87
Finance Costs	692.54	460.41
(Profit)/Loss on Sale of Investments	(30.81)	(302.62)
Expense on Employee Stock Option Scheme	3.07	-
Loss on Disposal/Discard of Fixed Assets (Net)	55.49	29.74
Dividend Income	(2.96)	(10.29)
Interest Income	(15.35)	(7.91)
Provision for Diminution In Value of Investment	0.15	46.02
Operating Profit Before Working Capital Changes	1,107.74	815.55
Adjusted for:		
Trade Receivable	(148.97)	13.09
Loans and Advances and Other Assets	(265.94)	(972.08)
Inventories	(973.05)	(378.04)
Trade Payables, Other Liabilities and Provisions	221.88	529.94
Cash Generated From Operations	(58.34)	8.46
Taxes Paid (Net)	(13.35)	(13.39)
Net Cash From Operating Activities	(71.69)	(4.92)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,700.54)	(1,279.62)
Sale of Fixed Assets	29.69	12.13
Sale/(Purchase) of Investments	961.38	226.89
Share Application Money Paid	-	(13.87)
Interest Received	15.35	7.91
Dividend Received	2.96	10.29
Net Cash Used In Investing Activities	(1,691.16)	(1,036.29)

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	-	199.99
Proceeds from Optionally Fully Convertible Debentures	(800.00)	800.00
Proceeds from Compulsory Convertible Debentures	150.00	-
Proceeds from Optionally Convertible Debentures	250.00	-
Proceeds from Borrowings	3,010.82	479.62
Dividends Paid (Including Dividend Distribution Tax)	(29.68)	(22.67)
Interest Paid	(692.54)	(460.41)
Net Cash Provided By Financing Activities	1,888.60	996.53
On Composite Schemes of Arrangements	(60.45)	-
Net (Decrease)/Increase In Cash and Cash Equivalents	65.30	(44.67)
Net (Decrease)/Increase In Cash and Cash Equivalents	65.30	(44.67)
Cash and Cash Equivalents (Opening Balance)	31.48	76.15
Cash and Cash Equivalents (Closing Balance)	96.78	31.48

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
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Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARIES COMPANIES AS ON MARCH 31, 2014

S. No.	Name of the Subsidiary Companies	Period Ended On	Extent of the Holding Companies Interest(%)	Net aggregate amount of the Profit/ (Loss) of the Subsidiary, so far as it concerns the members of the Holding Company (₹ in Crores)				Dealt with in the holding Company's Account			
				Profit (Loss) After Taxation	For the Period of the Subsidiary	Brought Forward Profit (Loss)	For the Previous Financial Years Since They Became Subsidiary	For the Period of the Subsidiary	For the Previous Financial Years Since They Became Subsidiary	For the Period of the Subsidiary	For the Previous Financial Years Since They Became Subsidiary
1	Future E-Commerce Infrastructure Limited#	March 31, 2014	70.43%	(21.20)	(14.93)	(115.26)	(81.18)	-	-	-	-
2	Future Knowledge Services Limited	March 31, 2014	100.00%	(3.66)	(3.66)	(14.33)	(14.33)	-	-	-	-
3	Future Learning and Development Limited	March 31, 2014	100.00%	(1.75)	(1.75)	(5.27)	(5.27)	-	-	-	-
4	Future Supply Chain Solutions Limited	March 31, 2014	70.17%	9.33	6.55	(12.45)	(8.74)	-	-	-	-
5	Future Media (India) Limited#	March 31, 2014	93.10%	(14.19)	(13.21)	(28.58)	(26.61)	-	-	-	-
6	Futurebazaar India Limited	March 31, 2014	100.00%	(0.82)	(0.82)	(19.87)	(19.87)	-	-	-	-
7	Home Solutions Retail (India) Limited	March 31, 2014	66.86%	(1.05)	(0.70)	(13.17)	(8.80)	-	-	-	-
8	FSC Brand Distribution Services Limited \$	March 31, 2014	70.17%	(4.29)	(3.01)	(1.03)	(0.72)	-	-	-	-
9	Winner Sports Limited	March 31, 2014	100.00%	(0.02)	(0.02)	(2.57)	(2.57)	-	-	-	-
10	Future Freshfood Limited	March 31, 2014	100.00%	(0.44)	(0.44)	(19.32)	(19.32)	-	-	-	-
11	Nuzone Ecommerce Infrastructure Limited	March 31, 2014	100.00%	0.00	0.00	(0.00)	(0.00)	-	-	-	-
12	Future Home Retail Limited (Formerly known as Nuzone Electronic Limited)	March 31, 2014	100.00%	0.00	0.00	(0.00)	(0.00)	-	-	-	-
13	Staples Future Office Products Limited#	March 31, 2014	60.00%	(4.60)	(2.76)	(120.98)	(72.59)	-	-	-	-
14	Office Shop Private Limited*#	March 31, 2014	60.00%	(5.20)	(3.12)	-	-	-	-	-	-

\$ Subsidiaries of Future Supply Chain Solutions Limited

* Subsidiary of Staples Future Office Products Limited

Considered as per Management Accounts

Pursuant to the direction given by the Central Government of India vide approval letter no. 47/528/208-CL-III dtd. 22/08/2008 directing the company to give following information in the annual report while granting approval under Section 212(8) of the Companies Act 1956.

STATEMENT CONTAINING FINANCIAL DETAILS OF SUBSIDIARIES OF FUTURE RETAIL LIMITED

S. No.	Name of the Subsidiary Companies	Capital	Reserves	Total Assets	Total Liabilities	Investment (Excluding Investments in Subsidiaries)	Revenue From Operations	Profit (Loss) Before Taxation	Provision for Taxation	Profit (Loss) After Taxation	Proposed Dividend
1	Future E-Commerce Infrastructure Limited#	50.98	(41.73)	21.34	21.34	-	60.85	(21.20)	-	(21.20)	-
2	Future Knowledge Services Limited	44.70	(17.99)	102.26	102.26	-	-	(3.66)	-	(3.66)	-
3	Future Learning and Development Limited	28.27	(7.03)	55.68	55.68	-	-	(1.75)	-	(1.75)	-
4	Future Supply Chain Solutions Limited	39.14	161.87	357.67	357.67	-	518.28	11.01	1.68	9.33	-
5	Future Media (India) Limited#	77.41	(32.69)	54.33	54.33	-	53.77	(1.67)	12.52	(14.19)	-
6	Futurebazaar India Limited	19.16	(20.69)	1.43	1.43	0.00	22.33	(0.82)	-	(0.82)	-
7	Home Solutions Retail (India) Limited	1.00	(6.26)	1.60	1.60	-	-	(1.05)	-	(1.05)	-
8	FSC Brand Distribution Services Limited \$	0.05	(5.32)	0.50	0.50	0.01	5.68	(4.29)	-	(4.29)	-
9	Winner Sports Limited	1.00	20.17	21.69	21.69	-	-	(0.02)	-	(0.02)	-
10	Nuzone Ecommerce Infrastructure Limited	0.05	(0.00)	0.05	0.05	-	-	0.00	0.00	0.00	-
11	Future Home Retail Limited	0.05	(0.00)	0.05	0.05	-	-	0.00	0.00	0.00	-
12	Future Freshfood Limited	1.00	(10.81)	1.11	1.11	-	0.05	(0.44)	-	(0.44)	-
13	Staples Future Office Products Limited#	6.17	73.60	99.12	99.12	0.01	100.18	(4.60)	-	(4.60)	-
14	Office Shop Private Limited**	0.01	(5.20)	13.52	13.52	-	59.38	(5.20)	-	(5.20)	-

Note: Revenue from Operations excludes Other Income

\$ Subsidiary of Future Supply Chain Solution Limited

* Subsidiary of Staples Future Office Products Limited

Considered as per Management Accounts

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of Future Retail Limited
(Formerly known as Pantaloons Retail (India) Limited)

We have audited the accompanying consolidated financial statements of Future Retail Limited (Formerly known as Pantaloons Retail (India) Limited) ("the Company") and its subsidiaries, joint ventures and associates which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, joint ventures and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the profit for the period ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

Other Matters

We did not audit the financial statements of certain joint ventures whose financial statements reflect total assets (net) of ₹ 268.98 Crores as at March 31, 2014, total revenues of ₹ 403.69 Crores and net cash outflows amounting to ₹ 24.02 Crores for the period then ended and of an associate whose financial statements reflect the Group's share of profit of ₹ 0.09 Crores for the

period then ended. These financial statements and the other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated statements to the extent they have been derived from such financial statements is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of certain subsidiaries and joint ventures whose financial statements reflect total assets (net) of ₹ 642.57 Crores as at March 31, 2014, total revenues of ₹ 627.76 Crores and net cash outflows amounting to ₹ 23.06 Crores for the period then ended. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of subsidiaries and joint ventures are based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of these matters.

For NGS & Co. LLP
Chartered Accountants
Firm Registration Number 119850W

Mumbai
May 30, 2014

Ganesh Toshniwal
Partner
Membership No. 046669

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(₹ in Crores)

	Note	As at March 31, 2014	As at December 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	120.97	121.16
Reserves and Surplus	3	3,214.54	3,206.40
		3,335.51	3,327.56
Share Application Money Pending Allotment		1.56	35.55
Optionally Fully Convertible Debentures	4	-	800.00
Compulsorily Convertible Debentures	5	150.00	753.85
Optionally Convertible Debentures	5	250.00	-
Minority Interest		90.38	58.72
Non-Current Liabilities			
Long-Term Borrowings	6	3,810.12	3,558.76
Deferred Tax Liabilities (Net)	7	182.41	219.89
Other Long-Term Liabilities	8	1.40	408.25
Long-Term Provisions	9	17.74	17.53
		4,011.67	4,204.43
Current Liabilities			
Short-Term Borrowings	10	1,419.85	1,871.90
Trade Payables	11	1,468.68	2,383.07
Other Current Liabilities	12	1,260.54	1,443.24
Short-Term Provisions	13	160.59	158.70
		4,309.66	5,856.91
TOTAL ASSETS		12,148.78	15,037.02
Non-Current Assets			
Fixed Assets			
Tangible Assets	14	4,276.92	4,414.16
Intangible Assets		243.22	217.93
Capital Work-in-Progress		393.62	552.65
Non-Current Investments	15	1,431.50	1,331.23
Long-Term Loans and Advances	16	451.91	1,751.46
Other Non-Current Assets		0.86	0.13
		6,798.03	8,267.56
Current Assets			
Current Investments	17	20.92	59.98
Inventories	18	3,130.85	4,469.21
Trade Receivables	19	441.97	547.16
Cash and Bank Balances	20	168.23	200.56
Short-Term Loans and Advances	21	1,479.52	1,475.31
Other Current Assets	22	109.26	17.24
		5,350.75	6,769.46
TOTAL		12,148.78	15,037.02

The accompanying notes are an integral part of these financial statements.

1 - 43

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD JANUARY 1, 2013 TO MARCH 31, 2014

(₹ in Crores)

	Note	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
INCOME			
Revenue from Operations	23	13,897.25	20,186.36
Other Income	24	307.54	130.01
Total Revenue		14,204.79	20,316.37
EXPENDITURE			
Cost of Materials Consumed		36.00	31.63
Purchases of Stock-in-Trade		9,854.70	13,783.69
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	25	10.92	(808.29)
Employee Benefits Expense	26	620.83	1,131.43
Finance Costs	27	725.95	1,647.12
Depreciation and Amortization Expense	14	451.88	632.26
Other Expenses	28	2,431.16	3,805.19
Total Expenses		14,131.44	20,223.03
Profit Before Exceptional Items and Tax		73.35	93.34
Exceptional Items	29	25.83	379.32
Profit Before Prior Period Items and Tax		99.18	472.66
Extraordinary Items/Prior Period Items		0.22	(0.02)
Profit Before Tax For The Period		99.40	472.64
Tax Expense	33	4.35	130.75
Earlier year's Income Tax		0.06	0.15
Profit After Tax and Before Share of Associates and Minority Interest		94.99	341.74
Share of Loss of Associates		-	3.62
Share of Profit to Minority Interest		14.69	62.45
Profit for the Period		80.30	275.67
Earnings Per Equity Share of Face Value of ₹ 2/- each			
Basic - Equity Share		3.47	12.19
Basic - Class B (Series-1) Share		3.51	12.23
Diluted - Equity Share		3.47	12.19
Diluted - Class B (Series-1) Share		3.51	12.23
The accompanying notes are an integral part of these financial statements.	1 - 43		

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholtime Director

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Director

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Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Significant Accounting Policies

A. Principles of Consolidation

The consolidated financial statements (CFS) relate to Future Retail Limited [Formerly known as Pantaloon Retail (India) Limited], the holding company, its Subsidiaries, Joint Ventures and Associate (collectively referred to as Group). The CFS have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS 23) and Accounting Standard 27 on "Financial reporting of interests in Joint Ventures" (AS 27) and are prepared on the following basis:

- (a) The financial statements of the parent and its subsidiaries are combined on a line-by-line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.
- (b) Investment in Associate Company is accounted for using Equity Method in accordance with AS 23. The Company's share of the post acquisition profits or losses is included in the carrying cost of investments.
- (c) Investments in Joint Ventures are dealt with in accordance with AS 27. The Company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.

B. Basis of Preparation

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified).

C. Use of Estimates

Preparation of financial statements in conformity with IGAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognized in future periods.

D. Fixed Assets and Depreciation

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

Depreciation is provided on straight line basis at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except leasehold improvements which are amortized over the lease period and employee perquisite related assets which are depreciated over three years.

Computer software is amortized over six years and other intangible assets are amortized over their useful life not exceeding ten years. Fixed assets, individually costing less than Rupees Five thousands are fully depreciated in the year of purchase. Depreciation on the fixed assets added/disposed off/discarded during the period is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

E. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost, which includes acquisition charges such as brokerage, stamp duty, taxes etc.

Current Investments are stated at lower of cost and fair value computed on individual investment basis. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

F. Inventories

Inventories are valued at lower of cost, computed on weighted average basis, and net realizable value.

Cost of inventories comprises all costs of purchases and other costs incurred in bringing the inventories to their present condition and location.

Materials and other items held for use in the production of inventories are written down below cost only if the finished products in which they will be used are expected to be sold below cost.

G. Foreign Currency Transactions

Foreign Transactions in foreign currencies are recorded at the prevailing rates of exchange on the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the balance sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the statement of Profit and Loss. Exchange differences on forward contracts entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability, are recognized in the statement of profit and loss in the reporting period in which the exchange rate changes. Premium/Discount on foreign exchange contracts are recognized as an expense/income over the life of the contract.

H. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period they occur in the Statement of Profit and Loss.

I. 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. Sales are recognized when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts and VAT. Revenue from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax (If applicable). Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate. Dividend income is recognized when right to receive is established.

J. Retirement and Other Employee Benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the statement of profit and loss for the period in which the service is rendered.

Employee benefits under defined benefit plans and other long term employee benefits such as gratuity and compensated absences which fall due for payment after completion/cessation of employment or after a period of twelve months from rendering service are measured by the projected unit credit method, based on actuarial valuations at each balance sheet date carried out by independent actuaries. The company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

K. Taxation

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

L. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

M. 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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

N. Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

O. Goodwill on Consolidation

Goodwill arising on consolidation/acquisition is tested for impairment on periodic basis and written-off, if found impaired.

P. Information on Subsidiaries, Joint Ventures and Associates

(a) Subsidiary Companies Considered in the Consolidated Financial Statements are :

S. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2014	Period Ends on
1	Future E-Commerce Infrastructure Limited	India	70.43%	March 31, 2014
2	Future Knowledge Services Limited	India	100.00%	March 31, 2014
3	Future Learning and Development Limited	India	100.00%	March 31, 2014
4	Future Supply Chain Solutions Limited	India	70.17%	March 31, 2014
5	Future Media (India) Limited	India	93.10%	March 31, 2014
6	Futurebazaar India Limited	India	100.00%	March 31, 2014
7	Home Solutions Retail (India) Limited	India	66.86%	March 31, 2014
8	FSC Brand Distribution Services Limited (100% subsidiary of Future Supply Chain Solutions Limited)	India	70.17%	March 31, 2014
9	Winner Sports Limited	India	100.00%	March 31, 2014
10	Future Home Retail Limited (Formerly known as nuZone Electronics Limited)	India	100.00%	March 31, 2014
11	nuZone Ecommerce Infrastructure Limited	India	100.00%	March 31, 2014
12	Future Freshfoods Limited	India	100.00%	March 31, 2014
13	Staples Future Office Products Limited	India	60.00%	March 31, 2014
14	Office Shop Private Limited (100% subsidiary of Staples Future Office Products Limited)	India	60.00%	March 31, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Interest in Joint Ventures: (As required by AS-27 "Financial Reporting of Interest in Joint Venture")

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2014	Period Ends on
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	March 31, 2014
2	Future Generali India Insurance Company Limited	Equity	India	25.50%	March 31, 2014
3	Future Generali India Life Insurance Company Limited	Equity	India	3.00%	March 31, 2014
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	March 31, 2014
5	Integrated Food Park Private Limited	Equity	India	28.86%	March 31, 2014
6	Sprint Advisory Services Private Limited	Equity	India	49.75%	March 31, 2014
7	Shendra Advisory Services Private Limited	Equity	India	49.75%	March 31, 2014

(c) Interest in Associate:

S. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2014	Period Ends on
1	Galaxy Entertainment Corporation Limited	Equity	India	31.55%	March 31, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2 Share Capital

	As at March 31, 2014		As at December 31, 2012	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Authorised				
Equity Shares of ₹ 2/- each	45,00,00,000	90.00	45,00,00,000	90.00
Equity Shares of Class B (Series -1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
Preference Shares of ₹ 100/- each	30,00,000	30.00	30,00,000	30.00
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each	2,68,44,595	26.84	2,68,44,595	26.84
0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
Compulsory Convertible Participating Preference Shares of ₹ 10/- each	10,00,000	1.00	-	-
	53,56,44,595	205.84	53,46,44,595	204.84
Issued				
Equity Shares of ₹ 2/- each	21,56,64,839	43.13	21,56,64,839	43.13
Equity Shares of Class B (Series -1) of ₹ 2/- each	1,59,29,152	3.19	1,59,29,152	3.19
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I	2,05,18,460	20.52	2,15,18,460	21.52
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II	53,26,135	5.33	53,26,135	5.33
0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
Compulsory Convertible Participating Preference Shares of ₹ 10/- each	8,05,033	0.80	-	-
	26,30,43,619	120.97	26,32,38,586	121.16
Subscribed and Paid up				
Equity Shares of ₹ 2/- each	21,56,53,439	43.13	21,56,53,439	43.13
Equity Shares of Class B (Series -1) of ₹ 2/- each	1,59,29,152	3.19	1,59,29,152	3.19
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I	2,05,18,460	20.52	2,15,18,460	21.52
Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II	53,26,135	5.33	53,26,135	5.33
0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each	48,00,000	48.00	48,00,000	48.00
Compulsory Convertible Participating Preference Shares of ₹ 10/- each	8,05,033	0.80	-	-
	26,30,32,219	120.97	26,32,27,186	121.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Reconciliation of Number of Shares

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2014 Number of Shares	As at December 31, 2012 Number of Shares
Opening Balance	21,56,53,439	20,11,42,539
Shares Issued	-	81,63,265
Shares Issued on Conversion of Preference Shares	-	63,47,635
Closing Balance	21,56,53,439	21,56,53,439

Equity Shares of Class B (Series -1) of ₹ 2/- each

Particulars	As at March 31, 2014 Number of Shares	As at December 31, 2012 Number of Shares
Opening Balance	1,59,29,152	1,59,29,152
Shares Issued	-	-
Closing Balance	1,59,29,152	1,59,29,152

0.01% Compulsory Convertible Preference Shares of ₹ 100/-each

Particulars	As at March 31, 2014 Number of Shares	As at December 31, 2012 Number of Shares
Opening Balance	-	63,47,635
Converted into Equity Shares	-	63,47,635
Closing Balance	-	-

Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I

Particulars	As at March 31, 2014 Number of Shares	As at December 31, 2012 Number of Shares
Opening Balance	2,15,18,460	2,15,18,460
Shares Purchased	10,00,000	-
Closing Balance	2,05,18,460	2,15,18,460

Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II

Particulars	As at March 31, 2014 Number of Shares	As at December 31, 2012 Number of Shares
Opening Balance	53,26,135	53,26,135
Shares Issued	-	-
Closing Balance	53,26,135	53,26,135

0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each

Particulars	As at March 31, 2014 Number of Shares	As at December 31, 2012 Number of Shares
Opening Balance	48,00,000	48,00,000
Shares Issued	-	-
Closing Balance	48,00,000	48,00,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Compulsory Convertible Participating Preference Shares of ₹ 10/- each

Particulars	As at March	As at
	31, 2014	December 31, 2012
	Number of Shares	Number of Shares
Opening Balance	-	-
Shares Issued	8,05,033	-
Closing Balance	8,05,033	-

(ii) Rights, Preferences and Restrictions Attached to Shares

i) Equity Shares of ₹ 2/- each and Equity Shares of Class B (Series-1) of ₹ 2/- each

The Company has equity shares having a par value of ₹ 2/- each as at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights {Class B (Series-1) Shares}.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Ordinary Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series-1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series-1) shares held in case of voting by poll/ballot. Each holder of Class B (Series-1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series-1) Shares upto 2% without declaring any dividend for Ordinary Shares.

All other rights would be same for both classes of Equity Shares.

The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholder.

ii) Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-I

Holders of Preference Shares do not carry any voting rights. In the event of liquidation of Future E-Commerce Infrastructure Limited (FECIL), the holders of preference shares have the preferential rights over the equity holders in respect of repayment of capital and also have the preferential rights over the equity holders in respect of payment of dividend, if any. Further, no dividend is required to be accrued as these shares are non-cumulative. All the preference shares are compulsorily convertible into equity shares of FECIL. Every 12 Non Cumulative convertible preference shares of ₹ 10/- each are convertible into 1 equity share in the Company at the option of the holders but within a period of 20 years from the date of issue i.e October 24, 2007.

iii) Non Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each Series-II

Holders of Preference Shares do not carry any voting rights. In the event of liquidation of Future E-Commerce Infrastructure Limited (FECIL), the holders of preference shares have the preferential rights over the equity holders in respect of repayment of capital and also have the preferential rights over the equity holders in respect of payment of dividend, if any. Further, no dividend is required to be accrued as these shares are non-cumulative. All the preference shares are compulsorily convertible into equity shares of FECIL. As per the shareholders agreement, preference share holder, have a right which can be exercised after the expiry of 30 months from the date of allotment i.e. January 28, 2011 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iv) 0.01% Non Cumulative Compulsory Convertible Preference Shares of ₹ 100/- each

Preference Shares were issued on June 29, 2007 and QIPO is to be brought within 60 months of closing date i.e. by June 29, 2012. Future Retail Limited (FRL) as management shareholder is required to make their best efforts to procure a third party if it fails to come out with the QIPO. If no such third party is identified, Indivision India Partners is entitled to cause FRL to convert Preference Shares into equity shares of Future Media (India) Limited (FMIL) giving maximum holding of 32.43% in FMIL. Exchange ratio between FRL and FMIL would be on fair value basis. The Valuation exercise is to be carried out by an independent investment banker / merchant banker acceptable to Indivision India Partners.

v) Compulsory Convertible Participating Preference Shares of ₹ 10/- each

The Company has issued 8,05,033 Compulsory Convertible Participating Preference Shares (CCPS). The CCPS has a lock-in period of 5 Years. The holders of CCPS shall be entitled to receive dividend, as and when declared on the Shares, as if each CCPS represented 1 equity share Further, no dividend is required to be accrued as these share are non accumulative. Holder of Preference shares do not carry any voting rights. In the event of liquidation of the Company, the holders of preference shares have the preference rights over the equity share holder in respect of repayment of capital. Each CCPS shall be convertible into 1 (one) fully paid up equity share anytime within a period of 20 years from the date of its issue and allotment only if SAIL exercises its Tag Along Right pursuant to Article 9.4 of the Articles of Association; and Prior to an initial public offering of the Shares. Upon conversion of CCPS, it shall stand pari passu in all respects with the then existing equity shares of the Company.

(iii) Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under :

Name of Shareholders	As at March 31, 2014		As at December 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Future Corporate Resources Limited	8,92,90,093	41.40	8,20,32,726	38.04
PIL Industries Limited	1,46,77,448	6.81	1,21,11,692	5.62
ARISAIG Partners (Asia) PTE Limited A/c Arisaig India Fund Limited	2,01,37,118	9.34	2,01,37,118	9.34
Bennett Coleman and Company Limited	1,25,66,477	5.83	1,25,66,477	5.83
Equity Shares of Class B (Series 1) Shares				
PIL Industries Limited	29,38,034	18.44	29,27,885	18.38
Gargi Developers Private Limited	28,00,000	17.57	28,00,000	17.58
Manz Retail Private Limited	9,71,756	6.10	9,71,756	6.10
Non Cumulative Compulsory Convertible Preference Share Series-I & II				
Indivision India Partners	80,53,379	31.16	80,53,379	30.00
Murugan Capital	75,16,487	29.08	75,16,487	28.00
Sherpalo Mauritius LLC	75,16,487	29.08	75,16,487	28.00
Guanmay Investment Advisors LLP	24,89,797	9.63	34,89,797	13.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of Shareholders	As at March 31, 2014		As at December 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
0.01% Non Cumulative Compulsory Convertible Preference Share				
Indivision India Partners (Mauritius)	48,00,000	100.00	48,00,000	100.00
Compulsory Convertible Participating Preference Shares				
Staples Asia Investment Limited	8,05,033	100.00	-	-

- (iv) Pursuant to the provisions of Section 206A of the Companies Act, 1956 the issue of 11,400 equity shares is kept in abeyance.
- (v) Shares allotted as fully paid up without payment received in cash (during 5 years preceding March 31, 2014). Allotted 59,28,818 Equity Shares of ₹ 2/- each and 63,47,635, 0.01% CCPS of ₹ 100/- each as fully paid up pursuant to Scheme of Arrangement.
- (vi) The Company has reserved issuance of 25,00,000 (2012 : NIL) Equity Shares of ₹ 2/- each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). During the period, Company has granted 2,76,279 (2012 : NIL) revised to 3,05,192 options, post corporate action affecting option value and transfer of certain options to Future Lifestyle Fashions Limited due to transfer of the employees pursuant to Scheme of Arrangement, to the eligible employees at exercise price of ₹ 20/- per option, again revised post corporate action to exercise price of ₹ 10/- per option plus all applicable taxes, as may be levied in this regard on the company. Out of the options granted, 11,798 options were cancelled due to cessation of employment. The options would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

	As at March 31, 2014	As at December 31, 2012
(₹ in Crores)		
3 Reserve and Surplus		
Capital Reserve (Refer Note No. 37)	546.97	164.56
Capital Reserve on Consolidation (Net)	291.01	289.70
Securities Premium Reserve (Refer Note No. 37)	2,284.22	2,281.25
Debenture Redemption Reserve (Refer Note No. 37)	268.13	216.88
Share Options Outstanding Account	3.07	-
General Reserve (Refer Note No. 37)	106.22	77.67
Statement of Profit and Loss- (a)	(285.08)	176.34
	3,214.54	3,206.40
(a) Allocations and Appropriations of Statement of Profit and Loss:		
Balance at the Beginning of the Period	176.34	37.06
Add : Adjustment on Account of Joint Venture/Subsidiary	48.06	-
Add : Profit for the Period	80.30	275.67
Less : Appropriations		
Transfer to Debenture Redemption Reserve	120.00	106.88
Transfer to General Reserve	1.22	0.39
On Composite Schemes of Arrangements (Refer Note No. 37)	451.63	-
Proposed Dividend on Equity Shares	13.97	25.54
Tax on Proposed Dividend	2.96	4.43
Excess Provision Reversal of Tax on Dividend	-	(0.85)
	(285.08)	176.34

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
4 Optionally Fully Convertible Debentures	-	800.00
<p>The Optionally Convertible Debentures (OFCDs) allotted on June 14, 2012 have face value of ₹ 1,00,00,000/- each and carry coupon rate of 9.75% p.a. payable only in case of its redemption. OFCDs holders have option of conversion into equity shares of the Company at a price of ₹ 245/- per share, as per terms of issue and if not converted before expiry of 18 months from the date of allotment, OFCDs shall be redeemed on the last date of 18 months from the date of allotment of OFCDs. The OFCDs can be redeemed earlier with mutual consent of the OFCDs holders and Company.</p>		
5 Compulsory Convertible Debentures	150.00	753.85
<p>The Company has issued and allotted on February 13, 2014 1500 Compulsorily Convertible Debentures (CCDs) having face value of ₹ 10,00,000 each carrying coupon rate of 5% p.a. CCDs have been issued, effective from February 11, 2014 pursuant to the Scheme of Amalgamation (the "Scheme") pursuant to section 391 to 394 of the Companies Act, 1956 between the Company and Future Value Retail Limited (FVRL) in lieu of Compulsory Convertible Debentures held by investors in FVRL. CCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the 4 (four) weeks preceding the respective Conversion Date. CCDs can be redeemed in the manner provided in the CCDs Subscription Agreement, as amended from time to time.</p>		
Optionally Convertible Debentures	250.00	-
<p>The Company has issued and allotted on February 13, 2014 1000 Optionally Convertible Debentures – Series 1 (OCDs-Series 1) having face value of ₹ 10,00,000 each and 1500 Optionally Convertible Debentures – Series 2 (OCDs-Series 2) having face value of ₹ 10,00,000 each (collectively hereinafter referred to as "OCDs") carrying coupon rate of 12.50% p.a. OCDs have been issued effective from deemed date of allotment, March 15, 2013 pursuant to the Scheme of Amalgamation (the "Scheme") pursuant to section 391 to 394 of the Companies Act, 1956 between the Company and Future Value Retail Limited (FVRL) in lieu of Compulsory Convertible Debentures held by investors in FVRL. OCDs shall be convertible into equity shares of the Company as provided in the Scheme and subscription agreement as amended from time to time, at the average of the weekly high and low of the closing prices of the equity shares of the Company quoted on a recognised stock exchange during the 4 (four) weeks preceding the respective Conversion Date. OCDs shall be redeemed in terms of the OCDs Subscription Agreement as amended from time to time, if no conversion option is exercised.</p>		
6 Long-Term Borrowings		
Secured		
Non Convertible Debentures	1,952.50	1,425.00
Term Loans From Banks	1,827.56	2,133.76
Share in Jointly Controlled Entities	16.16	-
Unsecured		
Others	13.90	-
	3,810.12	3,558.76

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2014	(₹ in Crores) As at December 31, 2012
7 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
On Fixed Assets	294.02	348.21
Deferred Tax Assets		
Disallowances under Income Tax Act / Carry Forward of Business Losses and Unabsorbed Depreciation	111.61	128.32
	182.41	219.89
8 Other Long-Term Liabilities		
Debenture Application Money	-	405.00
Advances	-	2.75
Deposits	1.40	0.50
	1.40	408.25
9 Long-Term Provisions		
Provision for Employee Benefits	17.59	13.01
Provision for Others	0.07	-
Share in Jointly Controlled Entities	0.08	4.52
	17.74	17.53
10 Short-Term Borrowings		
Secured		
Term Loans From Banks	300.00	524.81
Working Capital Loans From Banks	1,010.74	1,261.37
Share in Jointly Controlled Entities	2.79	33.40
	1,313.53	1,819.58
Unsecured		
Loans Form Others	106.32	47.81
Share in Jointly Controlled Entities	-	4.51
	106.32	52.32
	1,419.85	1,871.90
11 Trade Payables		
Trade Payables	1,242.13	1,695.30
Share in Jointly Controlled Entities	226.55	687.77
	1,468.68	2,383.07
12 Other Current Liabilities		
Current Maturities of Long-Term Borrowings	772.48	543.15
Interest Accrued but Not Due on Borrowings	193.80	145.05
Unclaimed Dividends*	0.41	0.41
Other Payables#	225.17	739.19
Share in Jointly Controlled Entities	68.68	15.44
	1,260.54	1,443.24
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc.		
13 Short-Term Provisions		
Provision for Employee Benefits	3.84	14.75
Proposed Dividend	13.97	25.54
Tax on Dividend	2.37	4.14
Other Provisions	0.11	4.04
Share in Jointly Controlled Entities	140.30	110.23
	160.59	158.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

14 Fixed Assets

(₹ in Crores)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	As at January 01, 2013	Additions	Deductions#	Adjustment on Stake Change	As at March 31, 2014	Up to December 31, 2012	Adjustment for the Period#	For the Period	Adjustment on Stake Change	Up to March 31, 2014	As at March 31, 2014	As at December 31, 2012
(A) Tangible Assets												
Freehold Land	4.83	-	-	-	4.83	-	-	-	-	-	4.83	4.83
Leasehold Land	3.35	1.24	3.16	6.09	7.52	1.03	2.44	0.85	3.91	3.35	4.17	2.32
Building	0.03	0.17	-	-	0.20	0.01	-	0.01	-	0.02	0.18	0.02
Leasehold Improvements	1,034.54	446.28	464.34	5.76	1,022.24	215.31	196.65	119.95	0.42	139.03	883.21	819.23
Plant and Equipments	711.98	228.94	225.81	9.48	724.59	84.44	54.84	37.94	1.75	69.29	655.30	627.54
Office Equipments	65.80	5.56	20.70	4.93	55.59	11.90	8.95	4.06	3.24	10.25	45.34	53.90
Computers	276.08	18.51	66.25	6.16	234.50	135.32	55.49	45.69	4.36	129.88	104.62	140.76
Furniture and Fittings	2,148.14	474.24	850.00	11.06	1,783.44	325.29	269.59	116.49	4.15	176.34	1,607.10	1,822.85
Electrical Installations	1,060.71	364.60	391.08	-	1,034.23	139.43	102.81	46.76	-	83.38	950.85	921.28
Vehicles	9.59	2.44	2.66	1.24	10.61	3.71	2.35	0.95	0.47	2.78	7.83	5.88
Share in jointly controlled entities	27.23	3.03	0.33	(7.52)	22.41	11.68	1.10	2.94	(4.60)	8.92	13.49	15.55
Total	5,342.28	1,545.01	2,024.33	37.20	4,900.16	928.12	694.22	375.64	13.70	623.24	4,276.92	4,414.16
(B) Intangible Assets												
Brands/Trademarks	13.36	-	-	-	13.36	9.26	-	4.10	-	13.36	-	4.10
Computer Software	402.04	60.63	24.16	3.16	441.67	193.23	73.37	71.47	8.09	199.42	242.25	208.82
Other Intangible Assets	4.57	-	4.57	-	-	0.54	0.54	-	-	-	-	4.03
Share in jointly controlled entities	11.11	0.73	-	(1.25)	10.59	10.13	-	0.67	(1.18)	9.62	0.97	0.98
Total	431.08	61.36	28.73	1.91	465.62	213.16	73.91	76.24	6.91	222.40	243.22	217.93
Grand Total	5,773.36	1,606.37	2,053.06	39.11	5,365.78	1,141.28	768.13	451.88	20.61	845.64	4,520.14	4,632.09
Previous Year	3,950.64	2,145.53	260.44	(62.37)	5,773.36	673.10	137.56	632.26	(26.52)	1,141.28	4,632.09	

includes on Composite Schemes of Arrangements (Refer Note No. 37)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2014	(₹ in Crores) As at December 31, 2012
15 Non-Current Investments		
Investment in Equity Instruments		
Trade Investments		
Quoted, Fully Paid Up		
15,00,00,000 Equity Shares of Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited) of ₹ 6/- each (₹ 10/- each)	90.38	147.78
63,46,980 (1,05,783) Equity Shares of Centrum Capital Limited of ₹ 1/- each (₹ 10/- each)	11.50	11.50
3,05,70,108 (2,57,31,399) Equity Shares of Future Lifestyle Fashions Limited (Formerly known as Future Value Fashion Retail Limited) of ₹ 2/- each (Refer Note No.37)	333.65	-
Non-Trade Investments		
Quoted, Fully Paid Up		
64,79,848 Equity Shares of Capital First Limited of ₹ 10/- each	11.09	11.09
Unquoted, Fully Paid Up		
48,281 Equity Shares of Foot-Mart Retail India Limited of ₹ 10/- each	0.08	0.08
Less : Provision for Diminution of Investment	0.08	0.08
NIL (20,000) Equity Shares of Kalyan Janata Sahakari Bank Limited of ₹ 25/- each	-	0.05
35,78,278 Equity Shares of Pan India Food Solutions Private Limited of ₹ 10/- each	3.58	3.58
5,79,771 Equity Shares of Planet Retail Holdings Private Limited of ₹ 10/- each	2.90	2.90
5 Shares of Y.A. Chunawala Industrial Co-op Society Limited of ₹ 250/- each	0.00	0.00
Investment in Preference Shares		
Unquoted, Fully Paid Up		
11,92,759 Non-Cumulative Redeemable Preference Shares of Pan India Food Solutions Private Limited of ₹ 10/- each	1.19	1.19
Investment in Government or Trust Securities		
National Saving Certificates	0.06	0.05
Other Investments		
Mutual Funds	0.22	-
Investment in Fixed Deposits	-	0.20
Share in Jointly Controlled Entities	976.93	1152.89
	1,431.50	1,331.23
16 Long-Term Loans and Advances		
(Unsecured, Considered Good)		
Capital Advances	21.64	151.68
Security Deposits	180.62	986.96
Other Loans & Advances*	242.11	458.33
Share in Jointly Controlled Entities	7.54	154.49
	451.91	1,751.46

*Includes Share Application Money, Deduction/Payment of Income Tax (Net of Provisions) etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

	As at March 31, 2014	As at December 31, 2012
17 Current Investments		
Investment in Others		
Mutual Funds	-	0.22
Share in Jointly Controlled Entities	20.92	59.76
	20.92	59.98
18 Inventories		
Raw Materials	2.31	-
Work-in-Progress	1.89	-
Finished Goods	-	5.24
Stock-in-Trade	3,118.60	4,439.49
Packing Materials	5.65	12.06
Share in Jointly Controlled Entities	2.40	12.42
	3,130.85	4,469.21
19 Trade Receivables		
Unsecured		
Outstanding for a period more than six months from the date they are due for payment		
Considered Good	57.57	74.61
Considered Doubtful	6.55	3.95
Less: Provision for Doubtful Debts	6.55	3.95
	57.57	74.61
Others		
Considered Good	345.93	433.77
	345.93	433.77
Share in Jointly Controlled Entities	38.47	38.78
	441.97	547.16
20 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	67.37	118.07
Cheques on Hand	2.13	2.39
Cash on Hand	32.38	19.79
Other Bank Balances		
Dividend Account	0.41	0.41
Fixed Deposits including Margin Money	0.09	14.98
Earmarked Balances with Banks	5.39	23.78
Short-Term Bank Deposits	42.74	0.05
Share in Jointly Controlled Entities	17.72	21.09
	168.23	200.56

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2014	(₹ in Crores) As at December 31, 2012
21 Short-Term Loans and Advances		
(Secured, Considered Good)		
Loans and Advances	127.25	178.07
	127.25	178.07
(Unsecured, Considered Good)		
Loans and Advances	889.93	1,136.83
Deposits	439.62	133.74
Others	0.03	5.94
Share in Jointly Controlled Entities	22.69	20.73
	1,352.27	1,297.24
	1,479.52	1,475.31
22 Other Current Assets		
Interest Receivable	0.06	0.93
Others Receivables*	38.62	15.88
Share in Jointly Controlled Entities	70.58	0.43
	109.26	17.24

*Includes Insurance Claim Receivables.

	January 01, 2013 to March 31, 2014	(₹ in Crores) July 01, 2011 to December 31, 2012
23 Revenue from Operations		
Sale of Products	13,056.67	19018.63
Sale of Services	523.60	1153.39
Less: Vat, Sales Tax	715.54	1115.61
Less: Excise Duty	-	0.09
Other Operating Revenues	242.35	404.99
Share in Jointly Controlled Entities	790.17	725.05
	13,897.25	20,186.36
24 Other Income		
Interest income	25.28	22.78
Dividend Income	1.14	1.81
Miscellaneous Income	140.41	23.15
Share in Jointly Controlled Entities	140.71	82.27
	307.54	130.01
25 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Inventories		
Finished Goods	5.24	6.31
Stock- in-Trade	4,450.54	3,628.25
Work-in-Progress	-	3.26
Less:- On Composite Schemes of Arrangements (Refer Note No. 37)	1,265.47	-
Closing Inventories		
Finished Goods	-	5.24
Stock- in-Trade	3,183.68	4,439.91
Work-in-Progress	2.04	-
	4.59	(807.33)
Share in Jointly Controlled Entities	6.33	(0.96)
	10.92	(808.29)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
26 Employee Benefits Expense		
Salaries and Wages	489.76	942.66
Contribution to Provident and Other Funds	24.57	33.03
Expense on Employee Stock Option Scheme	3.07	-
Staff Welfare Expenses	23.42	57.01
Share in Jointly Controlled Entities	80.01	98.73
	620.83	1,131.43
27 Finance Costs		
Interest Expense	712.77	1,477.75
Other Borrowing Costs	11.11	164.08
Share in Jointly Controlled Entities	2.07	5.29
	725.95	1,647.12
28 Other Expenses		
Consumption of Stores and Spare Parts	0.30	0.65
Power and Fuel	188.10	321.83
Rent Including Lease Rentals	667.22	1,373.12
Repairs and Maintenance		
Building	7.04	2.31
Machinery	3.07	6.77
Others	31.57	62.89
Insurance	6.72	10.21
Rates & Taxes	9.46	28.00
Labour Charges	8.13	5.21
Packing Material	0.03	18.85
Advertisement and Marketing	159.15	355.50
Loss on Disposal/Discard of Fixed Assets (Net)	59.20	67.64
Provision for Impairment of Goodwill	1.15	6.23
Provision for Doubtful Debts/advances	2.76	4.19
Bad Debts Written off	11.02	21.81
Exchange Fluctuation Loss (Net)	0.34	23.21
Miscellaneous Expenses	626.32	945.72
Share in Jointly Controlled Entities	649.58	551.05
	2,431.16	3,805.19
29 Exceptional Items		
Net Gain on Sale of Non-Current Investments	30.81	379.40
Loss by Fire	(4.98)	-
Provision for Diminution in Value of Investments	-	(0.08)
	25.83	379.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30 Contingent Liabilities

Particulars	(₹ in Crores)	
	As at March 31, 2014	As at December 31, 2012
A. Claims Against the Company not Acknowledged as Debts		
i) Value Added Tax Act/Income Tax Act/Service Tax Act	49.38	5.19
ii) Others	342.28	51.05
B. Guarantees Outstanding	34.54	316.05
C. Fixed Deposits Lien Marked on Behalf of Holding Company	-	13.91

31 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 56.53 Crores (2012: ₹ 102.96 Crores).

32 Leases

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is ₹ 656.45 Crores (2012: ₹ 1459.79 Crores). The Lease Rent payable not later than one year is ₹ 241.58 Crores (2012: ₹ 620.01 Crores), payable later than one year but not later than five year is ₹ 330.71 Crores (2012: ₹ 733.72 Crores) and payable later than five years is ₹ 84.16 Crores (2012: ₹ 106.06 Crores).

33 Tax Expense

The tax expense for the period comprises of:

Particulars	(₹ in Crores)	
	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
Current Tax	4.68	70.96
Deferred Tax	(0.33)	59.79
Total	4.35	130.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34 Related Party Disclosures

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

A. List of Related Parties

1. Associates

- i. Galaxy Entertainment Corporation Limited

2. Enterprises over which Key Management Personnel are able to exercises significant influence

- i. Retail Light Techniques India Limited (Formerly known as Asian Retail Lighting Limited)
- ii. Fashion Global Retail Limited
- iii. Future Corporate Resources Limited
- iv. Future Human Development Limited
- v. Future Ideas Company Limited
- vi. Future Outdoor Media Solutions Limited
- vii. Future Sharp Skills Limited
- viii. Future Consumer Enterprise Limited (Formerly known as Future Ventures India Limited)
- ix. Future Lifestyle Fashions Limited (w.e.f. June 25, 2013)
- x. nuFuture Haribhakti Business Services Limited
- xi. nuFuture Digital (India) Limited
- xii. Akar Estate & Finance Private Limited
- xiii. Ryka Commercial Ventures Private Limited
- xiv. Kesari Realty Private Limited
- xv. Vayuputra Realty Private Limited
- xvi. Bansi Mall Management Company Private Limited
- xvii. Central Departmental Stores Private Limited
- xviii. Festive Realty Private Limited
- xix. Iskrupa Mall Management Company Private Limited

3. Key Management Personnel

- i. Mr. Kishore Biyani
- ii. Mr. Rakesh Biyani
- iii. Mr. Vijay Biyani

4. Relatives of Key Management Personnel

- i. Mr. Gopikishan Biyani
- ii. Ms. Ashni Biyani
- iii. Mrs. Godavaridevi Biyani
- iv. Mrs. Sampat Biyani
- v. Mrs. Sangita Biyani
- vi. Mrs. Santosh Biyani

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. Transactions with Related Parties

(₹ in Crores)

Nature of Transactions	Key Management Personnel Exercise Significant Influence	Key Management Personnel/ Relatives	Associates
Sale of Goods And Services	54.32 (30.36)	- (-)	1.51 (1.33)
Sale of Fixed Assets	23.82 (0.09)	- (-)	- (-)
Purchases of Goods And Services	387.63 (136.00)	0.33 (0.75)	0.01 (0.38)
Purchases of Fixed Assets	74.73 (21.66)	- (-)	- (-)
Managerial Remuneration	- (-)	12.64 (16.17)	- (-)
Advances Given	3.16 (163.81)	- (-)	- (3.83)
Deposits Given	11.58 (128.80)	- (-)	- (-)
Deposits Received	- (0.34)	- (-)	- (-)
Outstanding balances as on March 31, 2014	558.41	-	3.15
Receivable	(378.89)	(-)	(3.87)
Payable	126.58 (6.80)	- (-)	- (-)

C. Significant Related Party Transactions

- i. Sale of Goods and Services includes Galaxy Entertainment Corporation Limited ₹ 1.51 Crores (2012: ₹ 1.33 Crores) Vayuputra Realty Private Limited ₹ 10.01 Crores (2012: ₹ NIL), Iskrupa Mall Management Company Private Limited ₹ 11.30 Crores (2012: ₹ NIL), Future Lifestyle Fashions Limited ₹ 7.16 Crores (2012: ₹ NIL), Future Consumer Enterprise Limited ₹ 9.64 Crores (2012: ₹ 17.95 Crores), S. J. Retail Private Limited ₹ NIL (2012: ₹ 9.86 Crores).
- ii. Sale of Fixed Assets includes Future Corporate Resources Limited ₹ NIL (2012: ₹ 0.01 Crores), Future Human Development Limited ₹ 23.82 Crores (2012: ₹ NIL), S. J. Retail Private Limited ₹ NIL (2012: ₹ 0.08 Crores).
- iii. Purchases and other Services includes Future Corporate Resources Limited ₹ 95.68 Crores (2012: ₹ 70.65 Crores), Fashion Global Retail Limited ₹ 55.48 Crores (2012: ₹ 43.60 Crores), Future Lifestyle Fashions Limited ₹ 104.02 Crores (2012: ₹ NIL), nuFuture Digital (India) Limited ₹ 44.09 Crores (2012: ₹ NIL), Future Consumer Enterprise Limited ₹ 68.29 Crores (2012: ₹ NIL).
- iv. Purchase of Fixed Assets includes Retail Light Techniques India Limited ₹ 9.19 Crores (2012: ₹ 15.86 Crores), Future Corporate Resources Limited ₹ 33.52 Crores (2012: ₹ NIL), Future Human Development Limited ₹ 31.92 Crores (2012: ₹ 5.80 Crores).
- v. Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.09 Crores (2012: ₹ 5.73 Crores), Mr. Rakesh Biyani ₹ 4.71 Crores (2012: ₹ 5.31 Crores), Mr. Vijay Biyani ₹ 2.84 Crores (2012: ₹ 3.14 Crores), Mr. Kailash Bhatia ₹ NIL (2012: ₹ 1.82 Crores).
- vi. Advance given includes Galaxy Entertainment Corporation Limited ₹ NIL (2012: ₹ 3.83 Crores), Future Corporate Resources Limited ₹ NIL (2012: ₹ 163.81 Crores), Future Sharp Skills Limited ₹ 0.63 Crores (2012: ₹ NIL), Future Ideas Company Limited ₹ 2.53 Crores (2012: ₹ NIL).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- vii. Deposit given includes Bansi Mall Management Company Private Limited ₹ NIL (2012: ₹ 13.80 Crores), Future Corporate Resources Limited ₹ NIL (2012: ₹ 115.00 Crores), Vayuputra Realty Private Limited ₹ 1.85 Crores (2012: ₹ NIL), Central Departmental Stores Private Limited ₹ 4.10 Crores (2012: ₹ NIL), Ryka Commercial Ventures Private Limited ₹ 5.63 Crores (2012: ₹ NIL).
- viii. Deposit Received includes S.J. Retail Private Limited ₹ NIL (2012: ₹ 0.34).

D. Joint Venture Information

Company's shares of Assets, Liabilities, Income and Expenditure with respect to jointly controlled entities are as follows:
(₹ in Crores)

Particulars	As at March 31, 2014	As at December 31, 2012
Assets	1173.02	1499.93
Liabilities	456.68	856.66
Income	930.88	890.60
Expenditure	922.44	961.09

35 Segment Report

The group regards the business segment retail as a single reportable segment. Accordingly, Segment Information is not being disclosed pursuant to the provision of Accounting Standard 17 on "Segment Reporting" issued by Institute of Chartered Accountants of India.

- 36** Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010 the Company based on a legal advice, challenged levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court has passed an interim order dated October 14, 2011. In compliance of this order the Company has made an aggregate deposit of ₹ 42.43 Crores in respect of the liability for such service tax for the period from June 1, 2007 upto September 30, 2011. From October 1, 2011, the company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the company has not made provision of ₹ 84.86 Crores for the period June 1, 2007 to September 30, 2011 which would be appropriately recognized on the final determination.
- 37** The Scheme of arrangement under the provision of section 391-394 of the Companies Act, 1956 for demerger of Pantaloon Fashion Format ("Pantaloon Scheme") with effect from Appointment Date July 1, 2012 (as defined in Pantaloon Scheme) has been given effect on April 8, 2013. Pursuant to the same, all the assets and liabilities pertaining to Pantaloon Fashion Format has been demerged and vested in Pantaloon Fashion & Retail Limited (formerly known as Peter England Fashions and Retail Limited). Accordingly, the shares of Pantaloon Fashion & Retail Limited have been issued to the shareholders of the Company as on the April 18, 2013 as per entitlement ratio stated in Pantaloon Scheme.

The Composite Scheme of Arrangement and Amalgamation ("Fashion Demerger Scheme") between Future Retail Limited (Formerly known as Pantaloon Retail (India) Limited) ("FRL"), and Future Lifestyle Fashions Limited (formerly known as Future Value Fashion Retail Limited) (FLFL), Indus-League Clothing Limited ("ILCL"), Lee Cooper (India) Limited ("LEE"), Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited) ("FCEL"), and their respective shareholders and creditors ("Fashion Demerger Scheme") under the provision of section 391-394 of the Companies Act, 1956 for demerger of its fashion business as defined in the Fashion Demerger Scheme ("Fashion Format Business") with effect from Appointment Date of January 1, 2013 as provided in the said Scheme, has been given effect on May 29, 2013 after receipts of High Court approval. Pursuant to the same, all the assets and liabilities pertaining to the Fashion Format Business has been demerged and vested in FLFL with effect from Effective Date. Accordingly, the shares of FLFL have been issued to the shareholders of the Company as on the June 25, 2013 as per entitlement ratio stated in Fashion Demerger Scheme.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Scheme of Amalgamation and Arrangement of Future Value Retail Limited (FVRL), a wholly owned subsidiary company with the Company under the provision of section 391-394 of the Companies Act, 1956 with effect from Appointed Date of July 1, 2012 as provided in the said Scheme, has been given effect from February 11, 2014. Pursuant to the same, all the assets and liabilities pertaining to FVRL has been merged and vested in the Company on February 11, 2014 being the Effective Date, with effect from the Appointed Date. The Company has issued optionally convertible debentures and compulsory convertible debentures to the holders of the compulsory convertible debentures of FVRL equivalent to the face value of debentures held in FVRL. There has been no issuance of shares upon the completion of the merger.

38 Earnings Per Share

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

Particulars	Units	2013-14	2011-12
Profit after tax	₹ in Crores	80.30	275.67
The Weighted Average Number of Ordinary Shares for Basic EPS	No. in Crores	21.57	21.02
The Weighted Average Number of Class B (Series 1) Shares for Basic EPS	No. in Crores	1.59	1.59
The Weighted Average Number of Ordinary Shares for Diluted EPS	No. in Crores	21.57	21.02
The Weighted Average Number of Class B (Series 1) Shares for Diluted EPS	No. in Crores	1.59	1.59
The Nominal Value Per Share (Ordinary and Class 'B'(Series 1) Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in Crores	74.72	256.22
Share of Profit for Class B (Series 1) Shares for Basic EPS	₹ in Crores	5.58	19.45
Share of Profit for Ordinary Shares for Diluted EPS	₹ in Crores	74.72	256.22
Share of Profit for Class B (Series 1) Shares for Diluted EPS	₹ in Crores	5.58	19.45
Earnings Per Ordinary Share (Basic)	₹	3.47	12.19
Earnings Per Class B (Series 1) Share (Basic)	₹	3.51	12.23
Earnings Per Ordinary Share (Diluted)	₹	3.47	12.19
Earnings Per Class B (Series 1) Share (Diluted)	₹	3.51	12.23

39 Capital Reserve shown in the balance sheet is net of goodwill of ₹ 129.40 Crores (2012: ₹ 96.19 Crores).

40 Acquisition and Divestment

- a) Subsidiaries divested during the period:
 - i) Future Agrovet Limited (w.e.f. November 12, 2013).
 - ii) Future Lifestyle Fashions Limited (w.e.f. June 25, 2013).
- b) Subsidiaries acquired during the period:
 - i) Staples Future Office Products Limited (w.e.f. February 8, 2013).
 - ii) Office Shop Private Limited (100% subsidiary of Staples Future Office Products Limited) (w.e.f. February 8, 2013).

41 For certain items, the Company and its Subsidiaries and Joint Ventures have followed different accounting policies. However, impact of the same is not material.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 42** Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the group financial statements.
- 43** The previous period figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Current period figures are not comparable with the previous period on account of extension of the accounting period by 3 months from December 31, 2013 to March 31, 2014.

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2014

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	99.40	472.64
Adjusted for :		
Depreciation and Amortization Expense	451.88	632.26
Capital Issue Expenses	0.04	-
Provision for Doubtful Debts/advances	2.76	4.19
Sundry Balance Written off (Net)	(6.83)	(0.95)
Expense on Employee Stock Option Scheme	3.07	-
Finance Costs	725.95	1,647.12
Dividend Income	(1.14)	(1.81)
(Profit)/Loss on Sale of Investments	(30.81)	(379.40)
Loss on Disposal/Discard of Fixed Assets (Net)	59.20	67.64
Interest Income	(25.28)	(22.78)
Provision for Diminution In Value of Investment	-	0.08
Provision for Impairment of Goodwill	1.15	6.23
Operating Profit Before Working Capital Changes	1,279.39	2,425.22
Adjusted for :		
Trade Receivable	109.26	0.41
Loans and Advances and Other Assets	1,213.35	1,337.10
Inventories	1,338.36	(790.24)
Trade Payables, Other Liabilities and Provisions	(1,755.30)	858.34
Cash Generated From Operations	2,185.06	3,830.83
Share in Profit/(Loss) of Associate Company	-	(3.62)
Adjustment on Account of Joint Venture/Subsidiary include in consolidation	48.06	-
Share of Minority Interest	16.97	(334.98)
Taxes Paid (Net)	(16.01)	(73.64)
Capital Issue Expenses	(0.04)	-
Net Cash From Operating Activities	2,234.04	3,418.59
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets (Net)	(400.28)	(2,054.46)
(Increase)/Decrease in capital work-in-progress	159.03	(208.10)
Sale/(Purchase) of Investments	(29.08)	158.31
Dividend Received	1.14	1.81
Interest Received	25.28	22.78
Net Cash Used In Investing Activities	(243.91)	(2,079.66)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2014

(₹ in Crores)

	January 01, 2013 to March 31, 2014	July 01, 2011 to December 31, 2012
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid (Including Dividend Distribution Tax)	(29.68)	(24.29)
Proceeds from Issue of Share Capital	(31.22)	174.50
Proceeds from Borrowings	28.65	(877.74)
Proceeds from Optionally Convertible Debentures	250.00	-
Proceeds from Compulsorily Convertible Debentures	(603.85)	(85.00)
Proceeds from Optionally Fully Convertible Debentures	(800.00)	800.00
Capital Grant Received	9.99	-
Interest Paid	(725.95)	(1,647.12)
Net Cash Provided by Financing Activities	(1,902.06)	(1,659.65)
On Composite Schemes of Arrangements	(120.40)	-
Net (Decrease)/Increase in Cash and Cash Equivalents	(32.33)	(320.72)
Net (Decrease)/Increase in Cash and Cash Equivalents	(32.33)	(320.72)
Cash and Cash Equivalents (Opening balance)	200.56	521.28
Cash and Cash Equivalents (Closing balance)	168.23	200.56

As per our report of even date attached

For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants

Kishore Biyani
Managing Director

Rakesh Biyani
Joint Managing Director

Vijay Biyani
Wholetime Director

Ganesh Toshniwal
Partner
Membership No.: 046669

S. Doreswamy
Director

Anil Harish
Director

V. K. Chopra
Director

Mumbai
May 30, 2014

Bala Deshpande
Director

Dinesh Maheshwari
Chief Financial Officer

Deepak Tanna
Company Secretary

Notes

A series of horizontal dotted lines for writing notes.

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

REGISTERED OFFICE

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