

Annual Report 2012-13

**FUTURE LIFESTYLE FASHIONS
LIMITED**

Director's Report

To,
The Members
Future Lifestyle Fashions Limited

Your Directors are pleased to present the First Annual Report of the Company for the financial period ended 31 March 2013.

FINANCIALS AND OPERATIONS

During the first financial year since its incorporation, the Company had a total income of Rs. 15.40 lacs. The total expenditure during the period amounted to Rs. 48.08 lacs, thereby resulting in Loss before Tax of Rs. 32.68 lacs. After provision of tax amounting to Rs.1.45 lacs, the Loss for the period amounted to Rs. 34.13 lacs.

The Company expects to commence its operations in the next financial year on vesting and transfer of fashion business in the manner as reported hereunder and is hopeful of registering growth in the years to come.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION FOR DEMERGER AND VESTING OF FASHION BUSINESS IN THE COMPANY

The Board of Directors, at its meeting held on 9 November 2012, approved the composite scheme of arrangement and amalgamation between Indus-League Clothing Limited (ILCL), Lee Cooper (India) Limited (LEE), Future Ventures (India) Limited (FVIL), Pantaloon Retail (India) Limited (now known as Future Retail Limited) (FRL) and Future Lifestyle Fashions Limited (FLFL) under Sections 391-394 of the Companies Act, 1956.

The Scheme provides for demerger of fashion business of ILCL and amalgamation of LEE into FVIL and thereafter demerger of fashion business of FVIL and fashion business of FRL into FLFL. It is expected that the Scheme would be approved by the Hon'able High Court of Bombay at final hearing of petition coming up in the month of May 2013.

The companies, part of this composite scheme, will give effect to the scheme after receipt of certified copy of the court order and the Fashion Business comprising of the FVIL demerged undertaking and PRIL demerged undertaking (as defined in the scheme documents) would be vested with the Company with effect from the 1 January 2013 being the Appointed Date as determined in the scheme documents.

Pursuant to the said Scheme becoming effective, the shareholders of FVIL and FRL, as on a record date to be declared for the purpose by FVIL and FRL, shall be allotted equity shares of FLFL in the ratio as mentioned in the Scheme. Post aforesaid allotment, the Company will be proceeding with the listing of the shares of the Company.



DIVIDEND

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

FIXED DEPOSITS

During the period under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956.

DIRECTORS

Appointments during the period

Mr. Kishore Biyani and Mr. Chandra Prakash Toshniwal were appointed as Additional Directors w.e.f. 6 December, 2012 and 2 March, 2013, respectively.

Resignation during the period

During the period under review, Mr. Tarun Bhargava resigned as Director w.e.f. 6 December 2012.

The Board places its appreciation on record for the valuable services rendered by him during his tenure.

Appointments/ re-appointment at the AGM

In terms of Section 255 and 256 the Companies Act, 1956, Mr. Sanjay Rathi and Mr. Deepak Tanna being first directors of the Company retire at the ensuing annual general meeting of the Company and being eligible, offers themselves for re-appointment as Directors.

In terms of section 260 of the Companies Act, 1956, Mr. Kishore Biyani and Mr. Chandra Prakash Toshniwal hold office as Additional Directors till the date of ensuing annual general meeting. The Company is in receipt of notices pursuant to the provisions of Section 257 of the Companies Act, 1956 read with Articles of Association of the Company from a member proposing the candidature of Mr. Kishore Biyani and Mr. Chandra Prakash Toshniwal for the appointment as Directors.

STATUS OF THE COMPANY

The Company was initially incorporated as a subsidiary of Future Value Retail Limited, which is subsidiary of Future Retail Limited (formerly known as Pantaloon Retail (India) Limited). Thereafter, on 9 November 2012, the entire shareholding in the Company was transferred from Future Value Retail Limited to Future Retail Limited and accordingly, the Company ceased to be subsidiary of Future Value Retail Limited with effect from the said date and continued as direct subsidiary of Future Retail Limited.



DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the Annual Accounts for the financial period ended 31 March 2013, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the loss of the Company for the financial period ended 31 March 2013;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that the Directors have prepared the accounts for the financial period ended 31 March 2013 on a 'going concern' basis.

AUDITORS

M/s. NGS & Co LLP., Chartered Accountants shall be retiring at the forthcoming Annual General Meeting and are eligible for re-appointment. They have issued a certificate to the effect that their re-appointment, if made, at the ensuing annual general meeting, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Members are requested to consider and approve the re-appointment of M/s. NGS & Co LLP. as Auditors of the Company.

PARTICULARS OF EMPLOYEES

During the period under review, the Company had no employees.

AUDIT COMMITTEE

Pursuant to the provisions of section 292A of the Companies Act 1956, the Company has constituted an Audit Committee on 2 March 2013. The Audit Committee comprises of the following directors:


Mr. C P Toshniwal	Chairman
Mr. Sanjay Rath	Member
Mr. Deepak Tanna	Member



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

The Particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, do not apply to the Company. There are no earnings or outgo of foreign exchange during the period under review.

For and on behalf of the Board of
Future Lifestyle Fashions Limited


C. P. Toshniwal
Director


Sanjay Rathi
Director

Place : Mumbai
Dated : 15 April 2013

To the Members of
Future Lifestyle Fashions Limited
(Formerly Known As Future Value Fashion Retail Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **Future Lifestyle Fashions Limited** ("the Company"), which comprises of the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and 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"). 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.

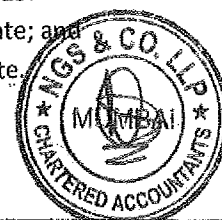
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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. 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, 2013.
- b) in the case of the Statement of Profit and Loss, of the loss 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.



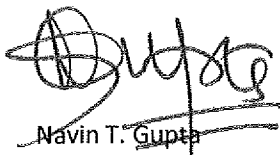
Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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 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 Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act 1956 ;
 - e. on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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



Navin T. Gupta

Partner

Membership No. 40334

Mumbai

April 15, 2013



Annexure to Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) The Company does not have any fixed assets. Therefore, the provisions of clause 4(i) of the Order are not applicable to the Company during the period.
- (ii) The Company does not have any tangible inventory. Therefore, the provisions of clause 4(ii) of the Order are not applicable to the Company during the period.
- (iii) The Company has not taken/granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clauses 4(iii) of paragraph 4 of the Order are not applicable to the Company during the period.
- (iv) In our opinion and according to the information and explanations given to us, the activities of the company did not involve purchase of inventories and fixed assets and sales of goods and services during the period of our audit. Therefore, the provisions of clause 4(iv) of the Order is not applicable to the company during the period.
- (v) According to the information and explanations given to us, the company has not entered into transactions which require to be recorded in a register in pursuance of section 301 of the Companies Act, 1956. Therefore the provision of clause 4(v) of the Order is not applicable to the Company during the period.
- (vi) The Company has not accepted any deposits under the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975 framed thereunder. Therefore, the provision of clause 4(vi) of the Order is not applicable to the Company during the period.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) Since the Company is neither engaged in manufacturing, processing, production and mining activities, to the best of our knowledge and belief, provision of Section 209(1)(d) are not applicable to the Company. Therefore, the provisions of clause 4(viii) of the Order are not applicable to the Company during the period.
- (ix) (a) As per information and explanations given to us the Company is regular in depositing the undisputed statutory dues including income tax and other material statutory dues, as applicable to it, with the appropriate authorities. There were no dues payable towards provident fund, Investor education and protection fund, employee state insurance, sales tax, wealth tax, service tax, custom duty, excise duty and cess by the company during the period.

(b) No undisputed amounts payable in respect of Income-tax, and other material statutory dues applicable to the Company were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no statutory dues outstanding on account of any dispute as of March 31, 2013.



- (x) The Company has been registered for a period of less than five years. Therefore the provision of clause 4(x) of the Order is not applicable to the Company during the period.
- (xi) Based on our audit procedures and as per the information and explanation given by the management, the Company did not have any outstanding debentures or outstanding loans from financial institutions or banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company during the period.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company during the period.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the period. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company during the period.
- (xvii) 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 no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(xviii) of the Order are not applicable to the Company during the period.
- (xix) The Company did not have any outstanding debentures during the period. Therefore, the provisions of clause 4(xix) of the Order are not applicable to the Company during the period.
- (xx) The Company has not raised any money by public issues during the period. Therefore, the provisions of clause 4(xx) of the Order are not applicable to the Company during the period.



- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.:119850W



Navin T. Gupta
Partner

Membership No.: 40334

Mumbai

April 15, 2013



FUTURE LIFESTYLE FASHIONS LIMITED
(FORMERLY KNOWN AS FUTURE VALUE FASHION RETAIL LIMITED)
BALANCE SHEET AS AT MARCH 31, 2013


(₹ in Lakhs)

	Note	As at March 31, 2013
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2	514.63
Reserves and Surplus	3	(34.13)
Current Liabilities		
Other Current Liabilities	4	0.63
TOTAL		481.13
ASSETS		
Non-Current assets		
Long-Term Loans and Advances	5	0.24
Current assets		
Cash and Cash Equivalents	6	17.03
Short-Term Loans and Advances	7	450.00
Other Current Assets	8	13.86
TOTAL		481.13
Notes forming part of the Financial Statements.		1-18

As per our report of even date

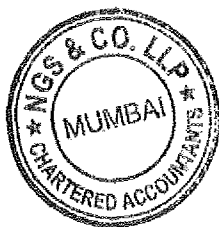
For NGS & Co. LLP

Chartered Accountants


Navin T. Gupta
 Partner

Membership No. 40334

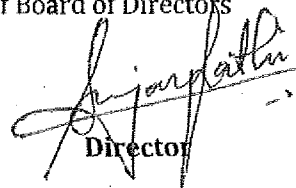
Mumbai



15 APR 2013

For and on behalf of Board of Directors


 Director


 Director

FUTURE LIFESTYLE FASHIONS LIMITED**(FORMERLY KNOWN AS FUTURE VALUE FASHION RETAIL LIMITED)****STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM MAY 30, 2012 to MARCH 31, 2013**

(₹ in Lakhs)

	Note	For the period ended March 31, 2013
INCOME		
Other Income	9	15.40
Total Revenue		15.40
EXPENDITURE		
Other Expenses	10	48.08
Total expenses		48.08
Profit / (Loss) Before Tax		(32.68)
Less: Tax Expense		
Current Tax		(1.45)
Deferred Tax		-
Profit/(Loss) After Tax		(34.13)
Earnings Per Equity Share of Face value of Rs. 2 each		
Basic and Diluted - Equity		(0.30)
Notes forming part of the Financial Statements	1-18	

As per our report of even date

For NGS & Co. LLP

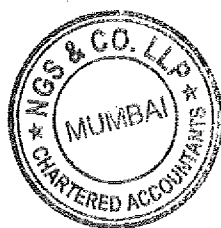
Chartered Accountants

Navin T. Gupta

Partner

Membership No. 40334

Mumbai



For and on behalf of Board of Directors

Director

Director

15 APR 2013

FUTURE LIFESTYLE FASHIONS LIMITED
(FORMERLY KNOWN AS FUTURE VALUE FASHION RETAIL LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in Lakhs)

Particulars	As at March 31, 2013
A. Cash Flow from Operating Activities:	
Net Profit before tax as per Statement of Profit and Loss	(32.68)
Adjusted for:	
Interest Income	(15.40)
Operating Cash Profit before Working Capital Changes	(48.08)
Adjusted for:	
Increase/(Decrease) in Trade Payable	0.63
(Increase)/Decrease in Current Assets	(13.86)
(Increase)/Decrease in Inventories	-
Sub - Total	(13.23)
Cash Generated from Operating Activities	(61.31)
Taxes Paid (net)	(1.54)
Net Cash Flow From Operating Activities	(62.85)
B. Cash Flow from Investing Activities:	
Deposits	(0.15)
Inter Corporate Deposits	(450.00)
Interest Income	15.40
Net Cash Flow From Investing Activities	(434.75)
C. Cash Flow from Financing Activities:	
Allotment of Shares	514.63
Net Cash Flow From Financing Activities	514.63
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	17.03
Closing Balance of Cash and Cash Equivalents	17.03

As per our Report of even date

For NGS & Co. LLP

Chartered Accountants



Navin T. Gupta

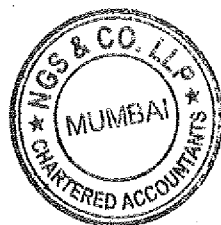
Partner

Membership No. 40334

Mumbai

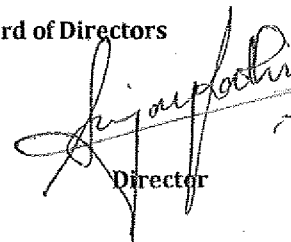
Date

15 APR 2013



For and on behalf of Board of Directors


Director


Director

1) NOTES TO THE FINANCIAL STATEMENTS

A. Basis of preparation:-

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (IGAAP) under the historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards notified under Section 211(3C) and other relevant provisions of the Companies Act, 1956.

B. 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'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. 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.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate.

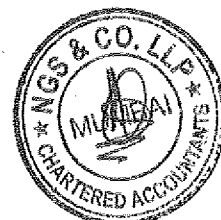
D. Provisions, Contingent Liabilities and Contingent Assets:-

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.

E. Taxation:-

Tax expenses comprise of Current and Deferred Tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting period 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 or substantively 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.



FUTURE LIFESTYLE FASHIONS LIMITED

Notes on Financial Statements for the year ended March 31, 2013

(₹ in Lakhs)

Particulars	As at March 31, 2013
2 : Share Capital	
Authorised	
250,000,000 Equity Shares of Rs. 2/- each	5,000
	5,000
Issued, Subscribed & Paid up	
25,731,399 Equity Shares of Rs. 2/- each	514.63
Total	514.63

a) Reconciliation of the shares outstanding at the beginning and at the end of the period.

(Rs. in Lakhs)

Particulars	As at March 31, 2013	
	Equity Shares	
	Number of Shares	(₹ in Rs.)
Issued during the period	25,731,399	514.63
Outstanding at the end of the period	25,731,399	514.63

b) Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

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 numbers of equity shares held by shareholders.

c) Shares held by holding company

Particulars	As at March 31, 2013	
	Number of Shares	% of Holding
Equity shares of Rs. 2 each fully paid-up		
Future Retail Limited (Formerly Known As Pantaloon Retail (India) Limited)	25731399	100%

d) Details of Share held by share holders holding more than 5% aggregate shares in the company:

Name of Shareholder	As at March 31, 2013	
	Number of Shares	% of Holding
Equity shares of Rs. 2 each fully paid-up		
Future Retail Limited (Formerly Known As Pantaloon Retail (India) Limited)	25731399	100%



FUTURE LIFESTYLE FASHIONS LIMITED**Notes on Financial Statements for the year ended March 31, 2013**

(₹ in Lakhs)

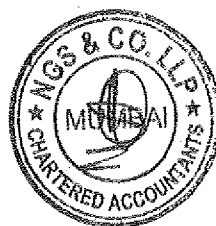
Particulars	As at March 31, 2013
<u>3: Deficit in Statement of Profit and Loss</u>	
Loss for the current period	(34.13)
	(34.13)
<u>4 :Other Current Liabilities</u>	
Other Payables	0.63
	0.63
<u>5 :Long-Term Loans and Advances</u>	
(Unsecured, considered good)	
Security Deposits	0.15
Deductions of Tax (Net of provisions for Income Tax)	0.09
	0.24
<u>6 :Cash and Cash Equivalents</u>	
Balance with bank in current account	17.03
	17.03
<u>7 :Short-Term Loans and Advances</u>	
(Unsecured, considered good)	
Inter Corporate Deposits	450.00
	450.00
<u>8 :Other Current Assets</u>	
Interest Receivable	13.86
	13.86



FUTURE LIFESTYLE FASHIONS LIMITED**Notes on Financial Statements for the year ended March 31, 2013**

(₹ in Lakhs)

Particulars	As at March 31, 2013
<u>9: Other Income</u>	
Interest Income	15.40
	15.40
<u>10 :Other Expenses</u>	
Auditors' Remuneration	
Statutory Audit Fees	0.22
Other Services	0.03
Advertising Expenses	0.20
Legal Fees	10.05
Professional Fees	0.03
Preliminary Expenses and Share Issue Expenses	37.51
Other Expenses	0.05
	48.08



11) Contingent Liabilities not provided for ₹ Nil.

12) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. NIL.

13) Related Party Disclosures

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

a) Name of related party

Holding Company :

Future Retail Limited { Formerly known as Pantaloon Retail (India) Limited } (w.e.f November 9,2012)

Future Value Retail Limited (Till November 8, 2012)

Fellow Subsidiary :

Future Value Retail Limited (w.e.f November 9,2012)

b) Transaction with Related Parties

(₹ In Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiaries
Inter Corporate Deposits Given	-	450.00
Reimbursement of Expenses paid	-	0.21
Interest Income	-	13.86
Allotment of Shares	509.63	-
Outstanding Balances as on March 31, Receivable	-	463.86
Payable	-	0.21

14) Earnings Per Share

The calculation of Earnings per Share (EPS) as Accounting Standard (AS-20) on Earning per Share is as under:

Particulars	May 30,2012 to March 31, 2013
Profit / (Loss) after tax (Rs. in lakhs)	(34.13)
Weighted average number of equity shares outstanding during the period - Basic and Diluted (Nos)	1,12,15,679
Earnings per share of ₹ 2/- each - Basic and Diluted (Rs.)	(0.30)



- 15) The Board of Directors of the Company have approved the Composite Scheme of Arrangement and Amalgamation between Indus-League Clothing Limited ("ILCL"), Lee Cooper (India) Limited ("LEE"), Future Ventures India Limited ("FVIL"), Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) and the Company and their respective shareholders and creditors ("Fashion Demerger Scheme").

The Appointed Date for the Fashion Demerger Scheme is January 1, 2013 and the scheme would be given effect on receipt of requisite approvals from statutory authorities.

- 16) 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.

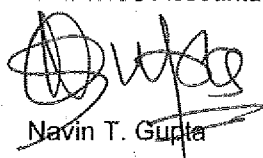
- 17) In absence of virtual certainty of future taxable income, deferred tax asset has not been calculated on losses as per Income Tax Act, 1961.

- 18) Company was incorporated on May 13, 2012 and the first accounting period is from May 13, 2012 to March 31, 2013.

As per our Report of even date attached

For NGS & CO. LLP

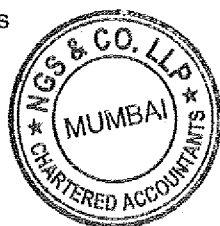
Chartered Accountants


Navin T. Gupta

Partner

Membership No.: 40334

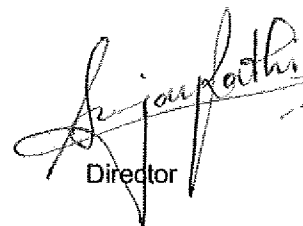
Mumbai



15 APR 2013

For and on behalf of Board of Directors


Director


Director