

Future Supply Chain Solutions Limited

**Annual Accounts
2012-13**

future group
india.tomorrow

Future Supply Chain Solutions Limited
Balance Sheet as at March 31, 2013

	Note	As at March 31, 2013	(Rs. in lacs) As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,913.83	3,913.83
Reserves and Surplus	3	15,764.21	16,181.84
Non-Current Liabilities			
Long-Term Borrowings	4	3,288.00	4,353.00
Deferred Tax Liabilities(net)	5	104.94	-
Other Long Term Liabilities	6	110.66	51.17
Long-Term Provisions	7	118.15	111.44
Current Liabilities			
Short-Term Borrowings	8	3,175.52	27.28
Trade Payables	9	7,270.52	5,662.36
Other Current Liabilities	10	3,007.12	2,612.54
Short-Term Provisions	11	21.64	5.86
TOTAL		36,774.59	32,919.32
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	16,305.56	14,597.78
Intangible Assets	12	582.81	739.01
Capital work-in-progress		125.27	128.51
Non-Current Investments	13	-	5.00
Deferred Tax Assets (Net)	14	-	65.79
Long-Term Loans and Advances	15	2,523.72	2,964.83
Other Non Current Assets	16	1.00	-
Current Assets			
Trade Receivables	17	16,474.20	13,244.06
Cash and Bank Balances	18	327.72	292.49
Short-Term Loans and Advances	19	433.93	881.76
Other Current Assets	20	0.38	0.09
TOTAL		36,774.59	32,919.32

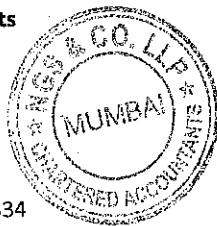
The accompanying notes 1 to 39 are an integral part of the Financial Statements

As per our report of even date

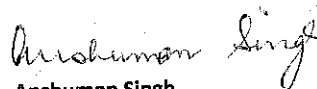
For NGS & Co. LLP
Chartered Accountants


Nayin T. Gupta
Partner


Membership No.: 40334
Mumbai
August 12, 2013



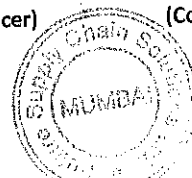
For and on behalf of the Board of Directors
Future Supply Chain Solutions Ltd.


Anshuman Singh
(Managing Director & CEO)


Kailash Sharma
(Chief Financial Officer)


C P Toshniwal
(Director)


Vimal Dhruve
(Company Secretary)



Future Supply Chain Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2013

	Note	2012-13	(Rs. in lacs) 2011-12
Income:			
Revenue from Operations	21	35,356.26	34,476.42
Other Income	22	50.30	338.15
Total Revenue		35,406.56	34,814.57
Expenses:			
Cost of Services		24,710.00	24,437.68
Employee Benefit Expenses	23	4,534.23	4,278.45
Finance Costs	24	1,030.48	1,025.91
Depreciation and Amortisation Expenses	12	1,386.79	1,536.56
Other Expenses	25	3,711.95	3,445.48
Total Expenses		35,373.45	34,724.08
Profit before exceptional items and tax		33.11	90.49
Less : Exceptional items	26	280.00	-
Profit/(Loss) before Tax		(246.89)	90.49
Tax Expense:			
Current tax		11.18	17.24
Less: MAT Credit Entitlement		11.18	17.24
Deferred Tax		170.74	32.58
Profit/(Loss) for the year		(417.63)	57.91
Earnings Per Equity Share (Face Value Rs. 10/- each)			
Basic and Diluted		(1.07)	0.16

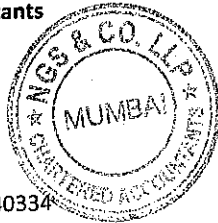
The accompanying notes 1 to 39 are an integral part of the Financial Statements

As per our report of even date

For NGS & Co. LLP
Chartered Accountants


Navin F. Gupta
Partner

Membership No.: 40334
Mumbai
August 12, 2013



For and on behalf of the Board of Directors
Future Supply Chain Solutions Ltd.


Anshuman Singh
(Managing Director & CEO)


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(Company Secretary)



FUTURE SUPPLY CHAIN SOLUTIONS LIMITED
Cash Flow Statement for the year ended March 31, 2013

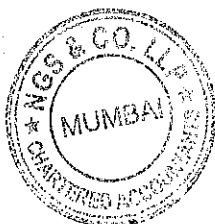
(Rs. in lacs)

Particulars	2012-13	2011-12
A Cash Flow from Operating Activities		
Net Profit Before Tax and exceptional items	33.11	90.49
Adjustments for :		
Depreciation and Amortisation	1,386.79	1,653.92
Provision for Doubtful Debts	25.55	7.17
Interest income	(4.04)	(296.74)
Interest expense	1,030.48	1,025.91
Operating profit before working capital changes	2,471.89	2,480.75
Changes in Working Capital		
Increase/(Decrease) in Trade Payables	1,608.16	(0.95)
Increase/(Decrease) in Other Current Liabilities	3,624.81	(1,156.07)
(Increase)/Decrease in Trade Receivables	(3,255.69)	(3,036.20)
(Increase)/Decrease in Other Assets	828.22	(749.69)
Cash generated from operations	5,277.39	(2,462.16)
Direct Taxes Paid	(225.08)	(138.83)
Net Cash generated from operations	5,052.31	(2,600.99)
B Cash Flow From Investing Activities		
Purchase of Fixed Assets / Advances for Capital Goods	(2,935.13)	(5,040.32)
Advances to Subsidiary	-	(250.00)
Interest income	4.04	296.74
Net Cash used in Investing Activities	(2,931.09)	(4,993.58)
C Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	-	8,813.00
Proceeds from Long Term Borrowing	(1,065.01)	(589.08)
Interest expense	(1,030.48)	(1,025.91)
Net Cash from financing activities	(2,095.49)	7,198.01
Net increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	25.73	(396.56)
Cash and Cash Equivalents (At the beginning of the year)	289.49	686.05
Cash and Cash Equivalents (At the end of the year)	315.22	289.49

As per our report of even date

For NGS & Co. LLP
Chartered Accountants

Navin T Gupta
Partner
Membership No. 40334
Mumbai
August 12, 2013



For and on behalf of the Board of Directors of
Future Supply Chain Solutions Ltd.

Anshuman Singh
(Managing Director & CEO)

C P Toshniwal
(Director)

Kailash Sharma
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)



FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Notes forming part of Financial Statements.

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 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.

1.2 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 year. 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 years.

1.3 Tangible 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.

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready 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 period of lease.

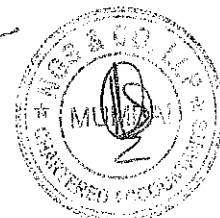
Fixed Assets individually costing less than Rs. Five Thousand are fully depreciated in the year of purchase. Depreciation on the Fixed Assets added / disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding.

1.4 Intangible Assets and Amortization :

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated losses, if any.

Intangible assets are amortized on a straight line basis over their useful lives as under:

Assets	Estimated useful life
Software	6 years
Exclusive Business Rights	10 years



1.5 Investments:-

Current Investments are carried at lower of cost and fair value computed on individual investment basis.

Long-term investments are stated at cost less provision for other than temporary diminution in value.

1.6 Transactions in foreign currency:

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. The gains or losses resulting from such transactions are adjusted to the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent on the date of transaction.

1.7 Revenue Recognition:-

Revenue from services rendered is recognised as the service is performed based on agreements / arrangements with concerned parties.

Interest income is recognised in the Statement of Profit and Loss taking into account the amount outstanding and rates applicable.

1.8 Retirement and other employee benefits:-

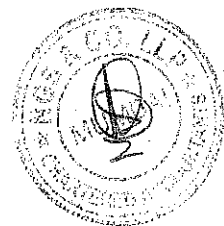
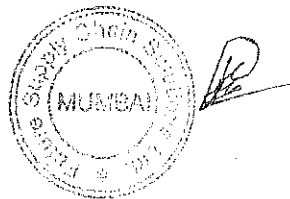
Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

1.9 Taxation:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of 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 substantially enacted as at the Balance Sheet date.



Deferred tax asset are recognized only to the extent where there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets / liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The Company offsets the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

1.10 Provisions, Contingent Liabilities and Contingent Assets:-

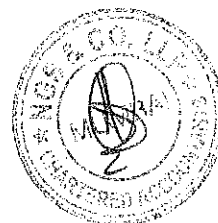
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. Contingent Assets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

1.11 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.

1.12 Leases:-

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental there of 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.



	As at March 31, 2013	As at March 31, 2012
2 Share Capital Authorised		
40,000,000 Equity Shares of Rs. 10 each.	4,000.00	4,000.00
	<u>4,000.00</u>	<u>4,000.00</u>
Issued and Subscribed		
39,138,321 Equity Shares of Rs. 10 each fully paid up.	3,913.83	3,913.83
	<u>3,913.83</u>	<u>3,913.83</u>

a) - Reconciliation of number of shares:

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	3,91,38,283	3,913.83	2,89,62,962	2,896.30
Changes during the year			1,01,75,321	1,017.53
Closing Balance	<u>3,91,38,283</u>	<u>3,913.83</u>	<u>3,91,38,283</u>	<u>3,913.83</u>

b) - Rights and restrictions attached to the shares

The company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

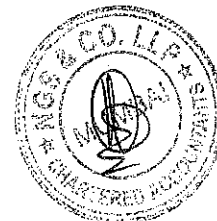
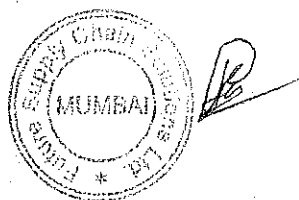
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

c) - Shares in the company held by holding company

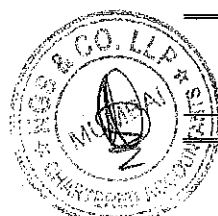
Name	As at March 31, 2013 No. of Shares	As at March 31, 2012 No. of Shares
Equity shares		
Future Retail Limited [Formerly Known as Pantaloon Retail (India) Limited]	2,74,62,962	2,74,62,962
Total	<u>2,74,62,962</u>	<u>2,74,62,962</u>

d) - Shareholders holding more than 5% of the equity shares in the Company.

Name	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	%	No. of Shares	%
Future Retail Limited [Formerly Known as Pantaloon Retail (India) Limited]	2,74,62,962	70.2%	2,74,62,962	70.2%
SKC 1 Limited	1,01,75,321	26.0%	1,01,75,321	26.0%
Total	<u>3,76,38,283</u>	<u>96.2%</u>	<u>3,76,38,283</u>	<u>96.2%</u>



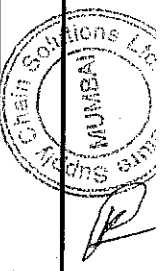
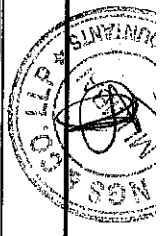
	As at March 31, 2013	As at March 31, 2012
3 Reserves and Surplus		
Securities Premium Account		
As per last Balance Sheet	16,499.17	3,703.70
Add: On issue of Shares		12,795.47
	<u>16,499.17</u>	<u>16,499.17</u>
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	(317.33)	(375.24)
Add: Profit/ (Loss) for the year	(417.63)	57.91
	<u>(734.96)</u>	<u>(317.33)</u>
	<u>15,764.21</u>	<u>16,181.84</u>
4 Long-Term Borrowings		
Secured		
Term Loan from Banks	3,288.00	4,353.00
	<u>3,288.00</u>	<u>4,353.00</u>
4.1 Rs. 3836.00 lacs (including current maturity) is secured by first pari passu charge on the Company's movable and immovable fixed assets and personal guarantee by one of the directors.		
4.2 Rs 704.28 lacs (including current maturity) is secured by first charge on the entire current assets of the Company, extension of charge on the entire movable fixed assets of the Company.		
4.3 Amount repayable Rs. 822 lacs , Rs. 1096 lacs and Rs. 1370 lacs in 2014-15 , 2015-16 and 2016 - 17 respectively. Rate of interest ranging from 13.50% to 14.00%.		
5 Deferred tax Liabilities (net)		
Major components of the deferred tax balances consist of the following:		
Deferred Tax Liability		
Related to Fixed Assets	1,071.91	-
	<u>1,071.91</u>	<u>-</u>
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	59.94	-
Carry forward losses/ unabsorbed depreciation	907.03	-
	<u>966.97</u>	<u>-</u>
Deferred Tax liability (net)	<u>104.94</u>	<u>-</u>
6 Other Long Term Liabilities		
Security Deposits	110.66	51.17
	<u>110.66</u>	<u>51.17</u>
7 Long-Term Provisions		
Provision for Employee Benefits		
Provision for gratuity and leave encashment	118.15	111.44
	<u>118.15</u>	<u>111.44</u>
8 Short-Term Borrowings		
Secured		
Cash Credit from Banks	3,175.52	27.28
(Secured by first charge on entire current assets of the company and extension of first charge on the entire fixed assets of the company and personal guarantee by one of the directors.) (Rate of interest ranging from 12.50 % to 14.20%)		
	<u>3,175.52</u>	<u>27.28</u>
9 Payables		
Trade Payables (Refer Note 30)	7,270.52	5,662.36
	<u>7,270.52</u>	<u>5,662.36</u>
10 Other Current Liabilities		
Current Maturities of Long Term Borrowings	1,252.28	981.28
Security Deposits	3.06	7.82
Interest Accrued but not due	8.20	16.94
Customer advances	31.05	19.71
Statutory Liabilities	129.91	153.94
Capital Creditors	220.60	439.49
Other Payables	1,362.02	993.36
	<u>3,007.12</u>	<u>2,612.54</u>
11 Short-Term Provisions		
Provision for Employee Benefits		
Provision for gratuity and leave encashment	21.64	5.86
	<u>21.64</u>	<u>5.86</u>



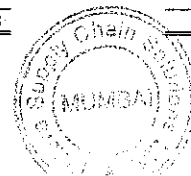
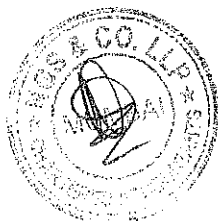
FUTURE SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the Financial Statements

12. FIXED ASSETS

Description	Gross Block						Depreciation/Amortizations			Net Block	
	As at April 1, 2012	Additions during the year	Sale/ Disposal during the year	As at March 31, 2013	Upto April 1, 2012	Adjustment	For the year	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012	
A: TANGIBLE ASSETS											
Leasehold Improvements	1,044.48	18.24	86.93	975.79	809.88	61.29	45.18	793.77	182.02	234.60	
Plant and Machinery	11,342.44	2,483.55	-	13,825.99	1,413.60	-	635.45	2,049.05	11,776.94	9,928.84	
Electrical Installations	2,062.90	219.22	72.36	2,209.76	249.51	12.74	97.99	334.76	1,875.00	1,813.39	
Computers	1,944.98	120.48	7.59	2,057.87	1,000.75	4.34	298.33	1,294.74	763.13	944.24	
Furniture and Fixture	1,655.77	107.30	-	1,763.07	225.58	-	112.64	338.22	1,424.85	1,430.19	
Vehicles	24.05	-	-	24.05	0.28	-	2.72	3.00	21.05	23.77	
Office Equipments	279.05	56.62	-	335.67	56.30	-	16.79	73.09	262.58	222.75	
Total A	18,353.67	3,005.41	166.88	21,192.20	3,755.90	78.37	1,209.10	4,886.63	16,305.56	14,597.78	
B: INTANGIBLE ASSETS											
Software	1,056.33	21.49	-	1,077.82	376.79	-	167.69	544.48	533.34	679.54	
Exclusive Business Rights	100.00	-	-	100.00	40.53	-	10.00	50.53	49.47	59.47	
Total B	1,156.33	21.49	-	1,177.82	417.32	-	177.69	595.01	582.81	739.01	
GRAND TOTAL (A+B)	19,510.00	3,026.90	166.88	22,370.02	4,173.22	78.37	1,386.79	5,481.64	16,888.38	15,336.79	
Previous Year	15,000.93	4,981.14	472.07	19,510.00	2,991.36	354.71	1,536.56	4,173.21	15,336.79	12,009.57	

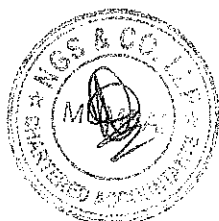


	As at March 31, 2013	As at March 31, 2012
13 Non-Current Investments		
Non - Trade Investment (at cost)		
Unquoted		
Equity Shares in Subsidiary		
50,000 Equity share of FSC Brand Distribution Services Limited of Rs. 10/- each fully paid up	5.00	5.00
Less : Provision for Diminution	5.00	-
Aggregate cost of unquoted investments	<u>5.00</u>	<u>5.00</u>
14 Deferred tax Assets (net)		
Major components of the deferred tax balances consist of the following:		
Deferred Tax Liability		
Related to Fixed Assets	-	837.47
	-	837.47
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	-	52.42
Carry forward losses/ unabsorbed depreciation	-	850.84
	-	903.26
Deferred Tax Assets (net)	<u>-</u>	<u>65.79</u>
15 Long Term Loan and Advances (Unsecured, considered good)		
Capital Advances	4.21	262.50
Security Deposits	2,096.76	2,240.83
Advance to Subsidiary	-	275.00
Deduction of Income Tax (Net of provisions)	388.23	163.16
Mat Credit Entitlement	34.52	23.34
(Unsecured, considered doubtful)		
Advance to Subsidiary	275.00	-
Less: Provision	275.00	-
	<u>2,523.72</u>	<u>2,964.83</u>
16 Other Non Current Assets		
Long term bank deposits	1.00	-
	<u>1.00</u>	<u>-</u>
17 Trade Receivables (Unsecured)		
- Outstanding for a period exceeding six months		
considered doubtful	31.25	5.70
considered good	365.24	1.29
Less: Provision for doubtful debts	31.25	5.70
	365.24	1.29
Other debts considered good	16,108.96	13,242.77
	<u>16,474.20</u>	<u>13,244.06</u>
18 Cash and Bank Balances:		
Cash and cash equivalents		
Balances with Banks:		
In Current Accounts	291.36	264.73
Cash on Hand	23.86	24.76
Other bank balances		
Short term bank deposits*	12.50	3.00
	<u>327.72</u>	<u>292.49</u>
* Lien with Sales tax department.		
19 Short-Term Loans and Advances (Unsecured, considered good)		
Security Deposits	168.95	262.51
Others Loans and Advances*	264.98	619.25
(Unsecured, considered doubtful)		
Security Deposits	1.48	1.48
Less: Provision	1.48	1.48
	<u>433.93</u>	<u>881.76</u>
* Primarily Includes advances to suppliers and Indirect taxes receivable.		
20 Other Current Assets		
Interest receivable	0.38	0.09
	<u>0.38</u>	<u>0.09</u>



Future Supply Chain Solutions Limited
Notes to the Financial Statements

	2012-13	(Rs. in lacs) 2011-12
21 Revenue from Operations		
Logistic Services	35,313.44	34,430.88
Other Operating Income	42.82	45.54
	<u>35,356.26</u>	<u>34,476.42</u>
22 Other income		
Interest Income	4.04	296.74
Exchange Gain (net)	-	2.58
Other income	46.26	38.83
	<u>50.30</u>	<u>338.15</u>
23 Employee Benefit Expenses		
Salaries, Wages and Bonus	4,100.60	3,805.09
Contribution to Provident and Other Funds	154.75	169.08
Staff Welfare Expenses	278.88	304.28
	<u>4,534.23</u>	<u>4,278.45</u>
24 Finance Costs		
Interest Expense	1,030.48	1,025.91
	<u>1,030.48</u>	<u>1,025.91</u>
25 Other Expenses		
Electricity Expenses	433.82	394.51
Rent	161.56	174.37
Rates and Taxes	8.62	38.75
Insurance	94.29	80.67
Repairs and Maintenance		
Plant and Machinery	170.23	189.51
Others	204.67	239.69
Travelling and Conveyance Expenses	661.14	560.07
Auditors' Remuneration		
Statutory Audit Fees	6.00	4.75
Tax Audit Fees	0.25	0.25
Other Services	4.65	2.32
Security Expenses	775.53	748.28
Bad Debts written off	-	0.01
Exchange Loss (net)	0.20	-
Provision for Doubtful Deposits	-	1.48
Provision for Doubtful Debts	25.55	5.70
Loss on discard of Fixed Assets	88.51	117.36
Donations	1.10	0.63
Miscellaneous Expenses	1,075.83	887.13
	<u>3,711.95</u>	<u>3,445.48</u>
26 Exceptional items		
Provision for Doubtful advance to subsidiary	275.00	-
Provision for Diminution in Value of Investment	5.00	-
	<u>280.00</u>	<u>-</u>



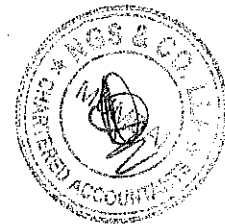
- 27. Contingent Liabilities not provided for:**
- i) Bank Guarantees outstanding Rs. 12.50 Lacs (2012: Rs. 3.22 Lacs)
 - ii) Claims against company not acknowledged as debt Rs. NIL (2012: Rs. NIL)
 - iii) Bill discounting Rs. NIL (2012: Rs. 126.38 Lacs)
- 28. Estimated amounts of contracts remaining to be executed on capital account and not provided for, (net of advances) Rs. 95.94 Lacs. (2012: Rs.1,337.42 Lacs)**
- 29. Cost of Services includes Rent paid Rs. 4,409.41 Lacs (2012 : Rs. 4,300.26 Lacs)**
- 30. The company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act , 2006 and hence , disclosures , if any , relating to amount unpaid as at year end together with interest payable as required under the said Act have not been given.**

31. Related Party disclosures

The management has identified the following related parties for disclosures under AS 18:

- i) Holding Company
 - Future Retail Limited.
 - [Formerly known as Pantaloon Retail (India) Limited]
- ii) Subsidiary Company
 - FSC Brand Distribution Services Limited
- iii) Fellow Subsidiaries
 - Future E-Commerce Infrastructure Limited.
 - Staples Future Office Products Private Limited
 - Future Value Retail Limited.
 - Future Freshfoods Limited.
 - Futurebazaar India Limited.
 - Future Media (India) Ltd.
- iv) Key Management Personnel
 - Anshuman Singh (Managing Director and CEO)
- v) Enterprise having significant influence over the reporting entity
 - SKC 1 Limited

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



(Rs. in Lacs)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Subsidiary Company	Key Management Personnel
Purchase of Fixed Assets	93.61 (846.69)	1.04 (17.63)	- (-)	- (-)
Income from operation	10,049.45 (9,930.22)	13,460.99 (15,131.97)	51.96 (70.06)	- (-)
Reimbursement of Expenses	32.21 (1,066.63)	76.85 (-)	3.39 (0.31)	- (-)
Rent paid	- (-)	23.01 (96.18)	- (-)	- (-)
Expenses	25.11 (-)	- (-)	- (-)	- (-)
Remuneration	- (-)	- (-)	- (-)	157.44 (117.28)
Advances given	- (-)	- (-)	- (275.00)	- (-)
As on March 31				
Receivable	6,338.41 (5,264.76)	5,028.02 (3,889.27)	399.46* (348.79)	- (-)

* Provision for doubtful advances: Rs. 275 Lacs (2012: NIL)

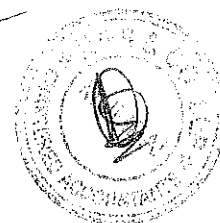
Disclosure in respect of material Related Party Transactions during the year :

1. Purchase of Fixed Asset includes Rs. 1.04 Lacs (2012: NIL) from Future Value Retail Limited.
2. Income from operation includes services rendered to Future Value Retail Limited Rs. 13,339.09 Lacs (2012: 14,872.29 Lacs).
3. Reimbursement of Expense includes Future Value Retail Limited Rs. 66.48 Lacs (2012: NIL).
4. Rent paid includes Future E- Commerce India Limited Rs. NIL (2012: 73.26 Lacs) and Future Value Retail Limited Rs. 23.01 Lacs (2012: 22.92 Lacs).

Notes :

1. Remuneration as stated above is in excess of limits prescribed under section 309 of the Companies Act, 1956. The aforesaid remuneration has been approved by the Board and members of the Company as provided under the Schedule XIII read with section 269, subject to the approval of the Central Government. Accordingly, the Company had made an application to Central Government for the approval of remuneration, which was initially rejected. Further as per resolution passed by the Board and members of the Company, an application has been preferred before Central Government under section 309(5) of the Companies Act, 1956 for approving waiver of recovery of remuneration paid to the Managing Director for period from 1 June 2008 till 30 June 2010. Further the Company is also in process of making application for increase of remuneration for a period from 1 July 2010 till 31 May 2013 pursuant to approval received from the Board and members of the Company.

2. Figures in brackets relate to previous year



32. Earnings Per Share

Particulars	2012-13	2011-12
Profit for the year (Rs. In Lacs)	(417.63)	57.91
Weighted average number of equity shares outstanding	3,91,38,283	3,71,92,183
Earnings per share of Rs.10/- each - Basic and Diluted	(1.07)	0.16

33. Lease

The Company's significant leasing arrangements are in respect of operating leases for premises (office warehouses etc) These leasing arrangements which are non-cancellable range between 1 month and 11 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Note No. 25 and 29. Lease Rent payable not later than one year is Rs.2,421.93 Lacs (2012: Rs.1,651.21 Lacs), payable later than one year but not later than five year is Rs.5,470.51 Lacs (2012: Rs. 3,318.79 Lacs) and payable later than five years is Rs. 3,711.44 Lacs (2012: Rs. 2,272.16 Lacs).

34. Value of Imports (during the year on CIF basis)

Particulars	(Rs. in Lacs)	
	2012-13	2011-12
Capital Goods	75.39	378.12

35. Expenditure in Foreign Currency (on accrual basis)

Particulars	(Rs. in Lacs)	
	2012-13	2011-12
Travelling Expenses	4.83	7.41
Freight forwarding	37.81	376.05

36. Disclosure pursuant to Accounting Standard 15 – Employee Benefits

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 12 under the head 'Contribution to Provident and Other Funds' of Profit and Loss account Rs. 154.75 Lacs (2012: Rs. 169.08 Lacs).



Defined Benefit Plan

Reconciliation of Opening and Closing balances of Defined Benefit Plan (Rs. in Lacs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Present value of obligation at the beginning of the year	15.42	20.37	63.89	48.19	53.42	40.19
Current service cost	-	-	26.49	27.35	18.27	18.81
Interest cost	-	-	6.34	5.48	4.27	3.21
Actuarial (gain)/Loss	(0.51)	(1.76)	3.68	(9.72)	(7.64)	10.24
Benefits paid by company	-	-	(9.43)	(3.54)	(18.48)	(19.04)
Benefit paid by the Insurance Co.	14.05	(7.07)	-	-	-	-
Present value of obligation at the yearend	1.88	15.42	89.95	63.89	49.84	53.42

Reconciliation of Opening and Closing balances of Fair value of plan assets

(Rs. in Lacs)

	Gratuity (Funded)	
	2012-13	2011-12
Fair value of plan assets at the beginning of the year	15.42	20.73
Expected return on plan assets	0.51	1.76
Actuarial gain/(loss)	-	-
Benefits paid	(14.05)	(7.07)
Fair value of plan assets at the end the year	1.88	15.42

Reconciliation of fair value of assets and obligation

(Rs. in Lacs)

	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Present value of obligation	91.83	79.31	49.84	53.42
Less: Fair Value of the plan assets	(1.88)	(15.42)	-	-
Liability Recognised in the Balance sheet	89.95	63.89	49.84	53.42



Expenses recognised in Statement of Profit and Loss

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity(Unfunded)		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Current service cost	-	-	26.49	27.35	18.27	18.81
Interest cost	-	-	6.34	5.48	4.27	3.21
Expected return on plan assets	(0.51)	(1.76)	-	-	-	-
Acturial (gain)/Loss	-	-	3.17	(11.48)	(7.64)	10.24
Net Cost	(0.51)	(1.76)	36.00	21.35	14.91	32.27

Experience Adjustments

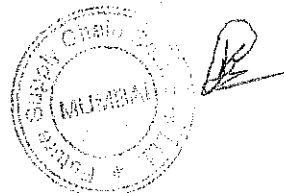
(Rs. in Lacs)

Experiences	March 2009	March 2010	March 2011	March 2012	March 2013
Defined Benefit Obligation	-	41.57	68.56	79.31	91.83
Plan Assets(includes bank balance)	-	20.64	20.42	15.42	1.88
Surplus / (Deficit)	-	(20.93)	(48.14)	(63.89)	(89.95)
Experience adjustments on Plan Liabilities	-	(8.95)	(1.13)	(11.48)	3.17
Experience on Plan Assets	-	0.00	0.14	0.10	0.73

Assumptions used in the acturial valuation are as below

	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Discounted rate (per annum)	8%	8%	8%	8%
Expected rate of future salary increase	5%	5%	5%	5%

37. The Company is engaged only in Logistic business in India and there are no separate reportable business and geographical segments as per Accounting Standard 17.

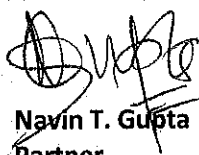


38. Interest allocated to fixed assets amounts to Rs. NIL (2012: Rs. 12.89 Lacs)

39. The previous year figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date

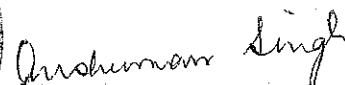
For NGS & Co. LLP
Chartered Accountants


Navin T. Gupta
Partner


Membership No. 40334
Mumbai
August 12, 2013



For and on behalf of the Board of Directors of
Future Supply Chain Solutions Ltd.


Anshuman Singh
[Managing Director & CEO]


C P Toshniwal
[Director]


Kailash Sharma
(Chief Financial Officer)


Vimal Dhruve
[Company Secretary]

