

FUTURE RETAIL

Statement of Standalone Financial Results for the Fifth Quarter and Fifteen months ended 31st March, 2014

(₹ in Crores)

Sr. No.	Particulars	3 months ended 31-03-2014	Preceding 3 months ended 31-12-2013	Corresponding 3 months ended in previous year 31-03-2013	Financial period of fifteen months ended 31-03-2014	Financial period of Eighteen months ended 31-12-2012
		Unaudited	Unaudited	Unaudited	Audited	Audited
PART I						
1	Income From Operations					
a)	Net sales/income from operations (Net of excise duty)	2,295.46	2,276.30	911.46	11,336.16	6,771.78
b)	Other Operating Income	49.63	47.01	29.23	241.28	215.95
	Total income from operations	2,345.09	2,323.31	940.69	11,577.44	6,987.73
2	Expenses					
a)	Cost of materials consumed	2.98	5.08	5.24	21.85	25.21
b)	Purchases of stock in trade	1,649.24	1,738.97	557.81	8,498.87	4,815.11
c)	Changes in inventories of finished goods, work in progress, and stock in trade - (Increase) / Decrease	26.88	(41.75)	53.84	(23.07)	(395.93)
d)	Employee benefits expense	90.13	83.68	34.11	423.94	336.31
e)	Depreciation and amortization expenses	88.08	84.31	44.89	404.34	311.87
f)	Rent including Lease rental	131.25	126.94	99.69	640.61	736.13
g)	Other Expenditure	203.84	183.46	90.72	975.49	694.60
	Total Expenses	2,192.40	2,180.69	886.30	10,942.03	6,523.30
3	Profit from Operations before other Income and finance cost (1-2)	152.69	142.62	54.39	635.41	464.43
4	Other Income	5.11	8.02	2.12	27.74	27.70
5	Profit from ordinary activities before finance cost(3+4)	157.80	150.64	56.51	663.15	492.13
6	Finance costs	155.25	149.27	52.80	692.54	460.41
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	2.55	1.37	3.71	(29.39)	31.72
8	Exceptional Items					
	Profit/(Loss) on sale of investment	(0.15)	30.81	-	30.66	256.60
9	Profit / (loss) from ordinary activities before tax (7+8)	2.40	32.18	3.71	1.27	288.32
10	Tax Expenses	0.78	10.44	1.24	(1.54)	15.06
11	Net Profit / (Loss) for the Period (9-10)	1.62	21.74	2.47	2.81	273.26
12	Paid up equity share capital (Face value of ₹ 2 per share)	46.32	46.32	46.32	46.32	46.32
13	Reserves excluding Revaluation Reserves	-	-	-	3,205.33	3,276.23
14	Basic EPS : a) Equity Shares (in ₹)	0.07	0.94	0.10	0.12	12.08
	b) Class B Shares(Series 1) (in ₹)	0.11	0.98	0.14	0.16	12.12
	Diluted EPS: a) Equity Shares (in ₹)	0.07	0.94	0.10	0.12	12.08
	b) Class B Shares(Series 1) (in ₹)	0.11	0.98	0.14	0.16	12.12

PART II - Select Information for the Quarter and Fifteen Months ended March 31, 2014

A PARTICULARS OF SHAREHOLDING						
1	Public share holdings:					
a)	Equity shares:-Number of shares	11,13,55,350	11,40,77,333	12,03,66,838	11,13,55,350	12,15,08,021
	Percentage of shareholdings	51.64%	52.90%	55.81%	51.64%	56.34%
b)	Class B Shares(Series 1) :-Number of shares	73,58,729	73,79,784	77,34,291	73,58,729	77,34,291
	Percentage of shareholdings	46.20%	46.33%	48.55%	46.20%	48.55%
2	Promoters and Promoter group shareholding:					
a)	Pledged/Encumbered					
-	Number of Equity Shares	7,81,51,401	6,46,16,345	6,32,89,377	7,81,51,401	5,95,29,829
-	Number of Class B Shares(Series 1)	69,94,929	66,34,384	66,34,384	69,94,929	60,04,974
-	Percentage of Equity Shares(as a % of total equity shareholding of Promoters and promoter group)	74.93%	63.61%	66.42%	74.93%	63.23%
-	Percentage of Class B Shares(Series 1) (as a % of total Class B Shares(Series 1) shareholding of Promoters and promoter group)	81.62%	77.60%	80.96%	81.62%	73.28%
-	Percentage of Equity Shares (as a % of total equity share capital of company)	36.24%	29.96%	29.35%	36.24%	27.50%
-	Percentage of Class B Shares(Series1) (as a % of total Class B shares(Series1) share capital of company)	43.91%	41.65%	41.65%	43.91%	37.70%
b)	Non-Encumbered					
-	Number of Equity Shares	2,61,46,688	3,69,59,761	3,19,97,224	2,61,46,688	3,46,15,589
-	Number of Class B Shares(Series 1)	15,75,494	19,14,984	15,60,477	15,75,494	21,89,887
-	Percentage of Equity Shares(as a % of total equity shareholding of Promoters and promoter group)	25.07%	36.39%	33.58%	25.07%	36.77%
-	Percentage of Class B Shares(Series 1) (as a % of total Class B Shares(Series 1)shareholding of Promoters and promoter group)	18.38%	22.40%	19.04%	18.38%	26.72%
-	Percentage of Equity Shares (as a % of total equity share capital of company)	12.12%	17.14%	14.84%	12.12%	16.05%
-	Percentage of Class B Shares(Series 1) (as a % of total Class B shares(Series 1) share capital of company)	9.89%	12.02%	9.80%	9.89%	13.75%

Registered Office: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060
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CIN: L52399MH1987PLC044954

FUTURE RETAIL



B INVESTOR COMPLAINTS			
Particulars	3 months ended 31-03-2014	Particulars	3 months ended 31-03-2014
Pending at the beginning of the quarter	NIL	Disposed of during the quarter	26
Received during the quarter	26	Remaining unresolved at the end of the quarter	NIL

- 2 Figures for the previous financial period have been re-arranged and re-grouped wherever necessary without any restatement on account of the demerged business.
- 3 The Board of Directors, subject to approval of members, have recommended a dividend ₹0.60(30%) per equity share and ₹0.64(32%) per Class B (Series 1) Share.
- 4 The Company has demerged Pantaloon Format Business, which has been made effective from 8 April 2013. The Fashion Business demerger has been made effective from 29 May 2013. Accordingly, the financial performance of Pantaloon Formats and other fashion formats of the Company (viz. Central, Brand Factory, aLL and Planet Stores) have been excluded from the current period and quarter of the financial performance of the Company, while it forms part of the previous year/period numbers. Further, the Company has merged the Value Retail Business of its wholly owned subsidiary company, Future Value Retail Limited (FVRL), effective from 11 February 2014. The financial performance of Value Retail Business (viz. Big Bazaar, Food Bazaar and other food formats) have been included in the current period and quarter of the financial performance of the Company, while it does not form part of the previous quarter/period numbers.
- Further, pursuant to the same all the assets and liabilities of FVRL merged and vested in the Company, requiring increase in borrowing limits, due to merger, which has been approved by the shareholders through postal ballot completed on 30 March 2014. The Company do not have plans to increase borrowings at present.
- 5 The financial result given above pertains to the fifth quarter and audited financial period of fifteen months, since company has already passed resolution for extension of financial period from 12 months period to 15 months period,
- 6 The Company has only one business segment i.e. "Retail".
- 7 Audited Statement of Assets & Liabilities as at 31st March 2014 is given hereunder.

Audited Standalone Statement of Assets and Liabilities as at 31st March, 2014

(₹ in Crores)

Sr No	Particulars	As At 31-12-2014	As At 31-12-2012
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share Capital	46.32	46.32
	(b) Reserves and Surplus	3,205.33	3,276.23
	Sub Total - Shareholders' funds	3,251.65	3,322.55
2	Optionally Fully Convertible Debentures	-	800.00
3	Compulsory Convertible Debentures	150.00	-
	Optionally Convertible Debentures	250.00	-
4	Non-Current Liabilities		
	(a) Long-Term Borrowings	3,755.20	1,854.42
	(b) Deferred Tax Liabilities (Net)	180.18	94.99
	(c) Other Long Term Liabilities	-	150.00
	(d) Long-Term Provisions	16.03	5.32
	Sub Total - Non Current Liabilities	3,951.41	2,104.73
5	Current liabilities		
	(a) Short-Term Borrowings	1,348.60	551.18
	(b) Trade Payables	1,224.02	810.02
	(c) Other Current Liabilities	1,154.07	980.91
	(d) Short-Term Provisions	19.84	33.53
	Sub Total - Current Liabilities	3,746.53	2,375.64
	TOTAL - EQUITY AND LIABILITIES	11,349.59	8,602.92
B	ASSETS		
	Non-Current Assets		
1	(a) Fixed Assets	4,704.06	2,493.04
	(b) Non-Current Investments	1,349.52	2,280.23
	(c) Long-Term Loans and Advances	370.99	764.01
	Subtotal - Non Current Assets	6,424.57	5,537.28
2	Current Assets		
	(a) Inventories	3,113.29	2,140.24
	(b) Trade Receivables	313.98	165.01
	(c) Cash and Bank Balances	102.48	55.53
	(d) Short-Term Loans and Advances	1,379.33	690.99
	(e) Other Current Assets	15.93	13.87
	Subtotal -Current Assets	4,925.01	3,065.64
	TOTAL - ASSETS	11,349.59	8,602.92

Place : Mumbai
Date : 30th May, 2014

Kishore Biyani
Managing Director

Future Retail Limited (Formerly Pantaloon Retail (India) Limited)

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FUTURE RETAIL

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR FIFTEEN MONTHS ENDED 31ST MARCH, 2014

(₹ in Crores)

Sr.No.	Particulars	15 Months Period ended 31-03-2014 Audited	18 Months period ended 31-12-2012 Audited
1	Income From Operations		
	a) Net sales/income from operations (Net of excise duty)	13,654.77	19,929.42
	b) Other Operating Income	242.48	256.94
	Total income from operations (net)	13,897.25	20,186.36
2	Expenses		
	a) Cost of materials consumed	36.00	31.63
	b) Purchases of stock in trade	9,854.70	13,783.69
	c) Changes in inventories of finished goods, work-in-progress, and stock in trade - (Increase) / Decrease	10.92	(808.29)
	d) Employee benefits expense	620.83	1,131.43
	e) Depreciation and amortization expense	451.88	632.26
	f) Other Expenses	2,431.16	3,805.19
	Total Expenses	13,405.49	18,575.91
3	Profit from Operations before other Income and finance cost (1-2)	491.76	1,610.45
4	Other Income	307.54	130.01
5	Profit from ordinary activities before finance cost and exceptional items (3 + 4)	799.30	1,740.46
6	Finance costs	725.95	1,647.12
7	Profit from ordinary activities after finance costs but before exceptional items(5-6)	73.35	93.34
8	Exceptional Items	25.84	379.32
9	Profit from ordinary activities before tax (7+8)	99.19	472.66
10	Tax expense	4.35	130.74
11	Earlier years Income Tax	0.06	0.15
12	Net Profit for the Period (9-10-11)	94.78	341.76
13	Prior Period Items	0.24	(0.02)
14	Share in Loss of associates company	-	3.62
15	Minority interests	(14.72)	(62.45)
16	Net Profit for the Period (12+13-14+15)	80.30	275.67
17	Paid up Equity Share Capital (Face Value of ₹ 2 Per Share)	46.32	46.32
18	Reserves Excluding Revaluation Reserves	3,214.54	3,206.40
19	Basic EPS :		
	a)Equity Shares	3.47	12.19
	b)Equity Shares - Class B (Series 1)	3.51	12.23
	Diluted EPS:		
	a)Equity Shares	3.47	12.19
	b)Equity Shares - Class B (Series 1)	3.51	12.23

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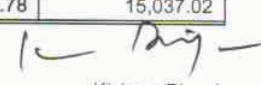
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FUTURE RETAIL

Audited Consolidated Statement of Assets and Liabilities

Sr. No.	Particulars	As at 31-03-2014	As at 31-12-2012
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	120.97	121.16
	(b) Reserves and Surplus	3,214.54	3,206.40
	Sub Total - Shareholders' funds	3,335.51	3,327.56
2	Share Application Money Pending Allotment	1.56	35.55
3	Compulsorily Convertible Debentures	150.00	753.85
4	Optionally Fully Convertible Debentures	-	800.00
5	Optionally Convertible Debentures	250.00	-
6	Minority Interests	90.38	58.72
7	Non-Current Liabilities		
	(a) Long-Term Borrowings	3,810.12	3,558.76
	(b) Deferred Tax Liability (Net)	182.41	219.89
	(c) Other Long Term Liabilities	1.40	408.25
	(d) Long-Term Provisions	17.74	17.53
	Sub Total - Non current liabilities	4,011.67	4,204.43
8	Current liabilities		
	(a) Short-Term borrowings	1,419.85	1,871.90
	(b) Trade Payables	1,468.68	2,383.07
	(c) Other Current Liabilities	1,260.54	1,443.24
	(d) Short-Term Provisions	160.59	158.70
	Sub Total - Current liabilities	4,309.67	5,856.91
	TOTAL - EQUITY AND LIABILITIES	12,148.78	15,037.02
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets	4,913.76	5,184.74
	(b) Non-Current Investments	1,431.50	1,331.23
	(c) Long-Term Loans and Advances	451.91	1,751.46
	(d) Other Non-Current Assets	0.86	0.13
	Subtotal - Non current assets	6,798.03	8,267.56
2	Current Assets		
	(a) Current Investments	20.92	59.98
	(b) Inventories	3,130.85	4,469.21
	(c) Trade Receivables	441.97	547.16
	(d) Cash and Bank Balances	168.23	200.56
	(e) Short-Term Loans and Advances	1,479.52	1,475.31
	(f) Other Current Assets	109.26	17.24
	Subtotal -Current assets	5,350.75	6,769.46
	TOTAL - ASSETS	12,148.78	15,037.02

Place : Mumbai
Date : 30th May, 2014


Kishore Biyani
Managing Director

Future Retail Limited (Formerly Pantaloon Retail (India) Limited)

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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 flow\$ 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 statement 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

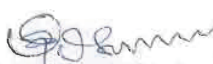
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- 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

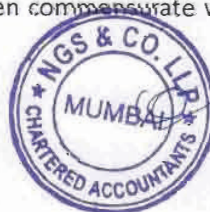
Membership No. 046669
Mumbai
May 30, 2014



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 dues of Stamp duty 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 (Rs. 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	3.73	AY : 2007-08	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1965	Income Tax	0.42	AY : 2008-09	Income Tax Appellate Tribunal
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 demerged 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 Tosbniwal

Partner

Membership No. 046669

Mumbai

May 30, 2014



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 Rs.268.98crores as at March 31, 2014, total revenues of Rs.403.69 crores and net cash outflows amounting to Rs.24.02 crores for the period then ended and of an associate whose financial statements reflect the Group's share of profit of Rs. 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 Rs. 642.57 crores as at March 31, 2014, total revenues of Rs. 627.76 crores and net cash outflows amounting to Rs. 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

Ganesh Toshniwal

Partner

Membership No. 046669

Mumbai

May 30, 2014

