



FUTURE ENTERPRISES LIMITED

ANNUAL REPORT

2019-20

Corporate Information

BOARD OF DIRECTORS

V. K. Chopra
Chairman & Director
DIN: 02103940

Kishore Biyani
Vice-Chairman & Director
DIN: 00005740

Vijay Biyani
Managing Director
DIN: 00005827

Anil Harish
Director (up to 01/08/2019)
DIN: 00001685

Bala C. Deshpande
Director
DIN: 00020130

Dinesh Maheshwari
Executive Director
& Chief Financial Officer
DIN: 00088451

Haresh Chawla
Director (up to 31/03/2020)
DIN: 00029828

Anandkrishnan Chandrasekaran
Director (w.e.f. 10/08/2019)
DIN: 08535001

BANKERS

Axis Bank Ltd.
Central Bank of India
Canara Bank
Dhanlaxmi Bank
IDBI Bank Ltd.
Indian Bank
Indian Oversea Bank
Laxmi Vilas Bank
Punjab National Bank
South Indian Bank

STATUTORY AUDITORS DMKH & CO.

COMPANY SECRETARY Deepak Tanna

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai - 400 083.
Tel.: No. + 91 22 4918 6270
Fax No. + 91 22 4918 6060

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off. Jogeshwari-Vikhroli Link Road,
Jogeshwari (East),
Mumbai – 400 060.
Tel. No. : + 91 22 4055 2200
Fax No. : + 91 22 4055 2201
Website: www.felindia.in

INVESTOR EMAIL ID

Investorrelations@futuregroup.in

CORPORATE IDENTITY NUMBER

L52399MH1987PLC044954

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MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

As per the Economic Survey 2019-20, India is the 5th largest economy in the world in 2019 and is aspiring to be the third largest by 2025. India aspires to become a \$5 trillion economy by 2025. This aspiration has been challenged by less than expected growth of India's GDP, mainly due to decline in world output. However, the Indian economy is poised to rebound towards its \$5 trillion aspiration on the back of macroeconomic stability.

2019 has been a difficult and challenging year for the global economy with output growth at 2.9% which has been slowest since the 2009 global financial crisis. The global weak environment has impacted global manufacturing, trade, and demand which has impacted the Indian economy adversely. The estimated GDP of India is 5% in 2019-20 compared to 6.8% in 2018-19. As per the Economic Survey 2019-20, the Government undertook various initiatives to boost the economy. The year 2019-20 witnessed easing of monetary policy with RBI cutting the repo rate, easing of credit, and critical measures to boost investments particularly under the National Infrastructure Pipeline amongst others.

The year 2019-20 ended with the outbreak of global pandemic, COVID-19, resulting in unprecedented disruption across sectors in India and worldwide. The outbreak was followed by lockdown across India with all segments facing the brunt with varying magnitudes. The Government has taken steps to support the economy and the common man. It has increased its spending on healthcare to bolster the Covid-19 response, wage support, in-kind and cash transfers to lower-income households, and deferral of tax payments, as well as loan and liquidity support for small businesses (MSME sector in particular) and financial institutions.

The Indian consumer preferences has been evolving with the macro-economic shifts, health consciousness, exposure to global trends, convenience, indulgence amongst other. Technology/internet savviness, emphasis on hygiene and safety, place of purchase are some of the trends expected to play out over the next decade. Modern trade has been garnering incremental share especially in new age categories.

Retail Industry in past has been one of the main contributors in the growth of the economy but in current year due to pandemic and consequent lockdown has been severely hit. The Company being associated with the retail industry and having a niche area of operations, has also received burnt of the backlash retail industry has suffered in current year. The effect of the slowdown had already started in the last quarter of the year under review and gained further momentum in the first quarter of the current financial year. In view of the substantial fall in business and grim outlook, the Company together with other group companies is proposing consolidation of business and then hiving off the retail and logistic businesses, which would require higher funding

requirements. Further under the proposed consolidation, the manufacturing and food processing as well as distribution would continue to be under control the Company thereby ensuring concentration of management on a core activity and improve performance. This would also help the Company to build new product brands for distribution network to be created, while continuing manufacturing existing brands as per the arrangement agreed with the acquirer.

Further the Company would continue to review all its remaining investments and consider monetisation of the same. All the efforts are directed towards reducing the debt and improving overall debt equity ratio for the Company, thereby improving its ability to raise further funds as may be required for the new business.

Operational Overview

The Company would continue to operate in fashion consolidation and being a first mover and having vast experience in predicting trends, the Company has been able to get a fully capacity order book for its manufacturing and trading operations and would continue the same in its new role as supplier to third parties. Changing Fashion Trends would continue to call for increase in retail consumption in this category, will help the Company to plan new initiatives as well as develop new brands in its fashion business. In post COVID Pandemic scenario, the design team would be recreating the new season's offering to ensure that procurement team could book orders for full manufacturing capacity as well as for the trading options available to the Company to earn a reasonable profitability.

The Company has already moved some of its investments for monetisation offer and have received certain letters of interest as well. Divestment of such investments can be considered in the interest of stakeholders at the best available offer as and when negotiation are finalised.

Customer and Marketing Overview

The Company's strategy would continue to be consumer centric and keep its research and insight about the ultimate customer choice as that will be key factor for the retailers and wholesalers, who would be the customers of the Company, to consider purchase of the fashion products offered by the Company. Being in this business for many years the Company has a deep knowledge of the ultimate customer's preferences and taste, which will help the Company to decide its product mix for the coming seasons and get its orders for the capacity planned by it. In view of the changed scenario the Company's design team has already started working on categories which would have higher demand in the next 2-3 seasons, apart from continuously working on preparing long term research of the customer preferences.

Further pursuant to the proposed Scheme, the Company would also commence manufacturing and food processing activities, where again the Company's deep

knowledge about the Indian ultimate customers, region wise food choices will help it to plan its production lines to meet the requirements of ultimate customers and hence would have edge in distribution of its food products to the retail and wholesale customers either through the network of the acquirer or its own distribution network for new brands to be created.

Awards & Recognition

The Group as well as the Company had been recognised and awarded for its various initiatives in the retail sector from time to time. The Company now being part of B2B business initiative, there is no specific categories in which it would be recognised and awarded as in past. However, the various initiative of the Company, are helping the other retail formats of the Group to compete for various award categories and get recognition as in past. The Future Group ethos "**rewrite rules, retain values**" would continue to ensure that the Company continue to serve retail sector and specifically the ultimate retail customer with objective to give them a shopping experience which improves continuously.

Competition

The Company is aware of the competition it is facing in the manufacturing activities it is pursuing at present and proposed to pursue after the proposed Scheme becoming effective. In order to ensure that its immediate customers, viz. fashion and retail formats get better competitive edge over and above other fashion and retail formats, the Company's insight of the customer and the shopping India, give the Company edge to provide such solutions and the fashion offerings to its retail formats, which help them to stand out of the competition for its final offerings. Further same research could help the Company to formulate its product mix of various processed foods it propose to provide to its retail formats which could be an edge over and above other offerings. This would also benefit the Company since it would continue to have ready market for the Company's manufacturing and the trading business activities in the fashion and food segment. The Company would continue to have the advantage of the large scale operations and hence would be in position to provide most competitive rate to various retail formats for the fashion products supplied by the Company. Further the proposal to create its own separate distribution network and developing separate brands for various Company products would help the Company to widen its customer base and reduce competition risk. These initiatives with other benefits at Company side will enable it to counter the competition.

Human Resource Initiatives

The Company has one of the best human capital in retail sector and can boast about its strong domain knowledge, which would help it to serve the retail sector, who will be now its prime customer. Further even during the lockdown period, the Company has ensured the continuous updation of its human capital to keep it abreast of the technological and behavioural changes in retail sector and corresponding changes it need to

make for the provision of its services to retail sector. It ensured that the online training and updation sessions were attended by all concerned to keep them abreast of the changes and get ready for new normal and necessary changes which would be essential in fashion trends.

The Company also ensures the career development of individual employees by identifying the key resources and impart training for improvement of skills and the leadership qualities. The Company proposes to devise retention plans and continue to reward its key resources and teams based on performance and role review.

Business Outlook

The basic foray of the Company, retail industry, would be up for multiple challenges in the time ahead. The retail would need to face change of product choices due to change in class of customer due to demographic change, products becoming more costlier, increasing digitalisation and e-commerce options available due to lockdown would change preference of the customer due to wider choices available at click of button from the comfort of sitting at your home / workplace. A leading study of the retail has shown that there could be many more challenges for the retail sector and hence same could also percolate to the Company.

The Company would need to ensure that the fashion offerings it provide are good and appealing not only on a brick and mortar store but also on a ecommerce website and same would hold true for the various food processing products it propose to offer through online and offline retail market. The look and feel of the products would become very important to attract the ultimate customer and hence the retailers, who would be customers of the Company.

Consumption in Retail Industry would be continue to be one of the growth parameters of the country as it would signify the increase of the per capital consumption and hence per capita income as well. Further the increase spending in retail would be mainly be discretionary spend and hence on the fashion and personal products as well as luxury items. However the fashion and personal products would be a major component of the increased spend.

The ratings of the Company as analysed and revised by credit rating agencies have taken a hit but with the revised business plans post the Scheme becoming effective, the Company expects the same to once again bounce back and recapture the credibility it was enjoying in pre-COVID period.

Risks and Threats

The state of external environment, including factors like interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Current slowdown in the economic activity in the country, lockdowns, significant job losses or high rates of inflation have impacted the consumption and therefore growth of the Company. Other external factors, change of

ratings affecting its credit offtake and increasing finance cost, any further changes in the policy or regulatory environment can pose financial challenge for the Company. However, the steps taken by the Company to deleverage its balance sheet, reducing its reliance on the debt funds and thereby reducing stress on its cash flow, and steps taken to improve its product offering at optimal costs would help the Company to sustain through these difficult times. We further wish to state that we do not anticipate any major adverse changes in macroeconomic factors then experienced in first half of the current year.

The Company continues to analyse all the risks and threats which would affect its business and trying to take steps or create action plan to mitigate such risks or counter such threats. Further the authorities given at each management level ensures implementation and execution of such action plan with minimised risk. Further, use of information technology for implementation as well as regular review and evaluation of such risks and risk mitigation action plan by management ensures minimisation of such risks.

Internal controls and their adequacy

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

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

Review of Financial Performance of the Company for the year under review

Sales: The Company's Sales and Other Operating Income has decreased from ₹4,565.64 Crore in previous twelve months to ₹4,043.15 Crore with YOY de-growth of 11.44 % for the financial year ended March 31, 2020.

Loss Before Tax: Loss Before Tax (including exceptional items) of the Company for financial year ended March 31, 2020 stood at ₹ 325.36 Crore as compared to profit before tax of ₹ 2.24 Crore during the previous twelve months.

Interest: Interest & Financial charges outflow has increased from ₹577.92 Crore incurred in previous twelve months of 2018-19 to ₹ 622.44 Crore (without Impact of IND AS) for financial year ended March 31, 2020.

Net Profit/Loss: Net loss (including exceptional items) of the Company for financial year ended March 31, 2020 stood at ₹ 288.50 Crore as compared to Net Profit of ₹ 24.02 Crore in the previous twelve months with decrease of ₹ 312.52 Crore over the previous twelve months.

Dividend: The Board of Directors has not recommended any dividend for year under review.

Capital Employed: The capital employed (net of cash) in the business is ₹ 9,810.88 Crore as at March 31, 2020. Return on capital employed (EBIDTA including exceptional item/average capital employed) during 2019-20 is 11.58% as compared to 13.48% during 2018-19.

Surplus management: The Company generated a cash profit of ₹ 517.46 Crore (without Impact of IND AS) for financial year ended March 31, 2020 as compared to ₹ 771.43 Crore in the previous twelve months, registering the de-growth of 32.92%. The entire cash profit is ploughed back into the business to fund the growth.

Equity Share Capital: The equity share capital of the Company has been increased from ₹ 98.71 Crore to ₹ 98.86 Crore due to issue of shares pursuant to ESOP shares during the financial year under review.

Debt-Equity: Debt-Equity ratio of the Company was 1.71 as at March 31, 2020.

Earnings Per Share (EPS): The Company's Basic EPS has gone down from ₹ 0.48 per share in previous financial year to ₹ (5.84) per share for the current financial year ended March 31, 2020.

Cash Earnings Per Share (CEPS): The Company's Cash Earnings per Share (CEPS) has decreased to ₹ 9.70 in current financial year in comparison to ₹ 14.39 in the preceding financial period.

Investment: The Company's investment portfolio has increased from ₹ 1,152.36 Crore to ₹ 1,233.45 Crore during the current financial year ended March 31, 2020. The increased in investment during the financial year is mainly due to investment in Future Generali India Life Insurance Company Limited, Sprint Advisory Services Private Limited, Future Generali India Insurance Company Limited, Shendra Advisory Services Private Limited, Livquik Technology (India) Private Limited and Investment in Leanbox Logistics Solutions Private Limited.

Net worth: The Net worth of the Company has decreased from ₹ 3,958.22 crore to ₹ 3,630.36 mainly due to Loss for the current year.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Thirty-Second Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS:

The financial performance of the Company is as follows:

(₹ in crore)

Particulars	Financial Year 2019-20		Financial Year 2018-19	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from operations	4,043.15	5,365.66	4,565.64	5,983.14
Other Income	42.05	67.40	27.11	81.82
Total Income	4,085.20	5,433.06	4,592.75	6,064.96
Profit before Depreciation & Tax	535.32	627.21	771.43	948.61
Less : Depreciation	860.68	1,033.72	769.19	815.58
Profit / (Loss) before tax	(325.36)	(406.51)	2.24	153.66
Less : Tax expense	(36.86)	(37.00)	(21.78)	(21.78)
Profit / (Loss) after Tax	(288.50)	(369.51)	24.02	175.44
Other Comprehensive Income for the year	(12.26)	10.10	12.57	13.90
Total Comprehensive Income for the year	(300.76)	(359.41)	36.59	189.34
Earnings Per Equity Share of Face Value of ₹ 2/- each				
- Basic and Diluted (in ₹)	(5.84)	(6.71)	0.48	2.93
Earnings Per Equity Shares - Class B (Series 1) of Face Value of ₹ 2/- each				
- Basic and Diluted (in ₹)	(5.84)	(6.71)	0.52	2.97

REVIEW OF PERFORMANCE

During the year under review, the Company earned a total income on consolidated basis of ₹ 5433.06 crore compared to ₹ 6064.96 crore in previous year resulting in decrease of 10.41% in consolidated revenue. Further the Company incurred losses of ₹ 369.51 crore for the year under review compared to profit of ₹ 175.44 crore in previous year.

Furthermore, during the year under review, there was no material change in nature of business of the Company.

COVID 19

The outbreak of coronavirus COVID-19 is an unprecedented and highly evolving event with Government of India imposing restrictions on movement of people across the country and has brought a host of adaptations to the way we all function. These are challenging times for the world at large. The outbreak of COVID-19 and its rapid acceleration across the globe are concerning. The most significant emerging risk is the ongoing outbreak of the novel coronavirus (COVID-19). While the human impact of the virus takes precedence for all of us, we continue to monitor the developments closely and are wary of the adverse impact on our business. The manifold disruptions in terms of Government announced lockdowns, challenges in running production, managing supply and

distribution network and fall in consumer spending pose risks that are multi-dimensional and rapidly evolving.

With no precedence, it has rattled lives and economies across the world, and India has not been spared either. The year that started with weak demand along with liquidity squeeze, ended with the global economy coming to an indeterminate standstill following the outbreak of COVID-19. Furthermore, the Government's decision to put the country into full lockdown during the latter phase of the fourth quarter had a major impact on the Company. Regardless of the challenging economic environment your company still managed to fare well. In our business we are facing a situation of very high uncertainty; a situation where both customer demand and supplier productivity was brought to a standstill for almost seven months. In the short term, the cash position of the company is solid, and the liquidity is assured, having enough unused credit lines.

In light of the above situation, we have taken the following measures towards safety of our stakeholders and continuity of our business:

- IT & Technology enablement measures are in place to facilitate remote working & seamless connectivity

- Regularly issuing updated preventive measures, guidelines & communication to employees
- Hygiene, sanitisation of workplaces & retail stores ensured, and 100% thermal scanning has been enabled
- Working closely with our associates & service partners through digital means to ensure continuity of their services
- Remote working in a phased manner. Currently operating with minimum staff/voluntary staff with the remaining are pursuing remote working.

COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company at its meeting held on 29th August, 2020 has *inter-alia*, considered and approved the Composite Scheme of Arrangement which involves:

- (i) merger of Future Consumer Limited (Transferor Company 1"), Future Lifestyle Fashions Limited ("Transferor Company 2"), Future Market Networks Limited ("Transferor Company 3"), Future Retail Limited ("Transferor Company 4"), Future Supply Chain Solutions Limited ("Transferor Company 5"), FutureBazaar India Limited ("Transferor Company 6"), Acute Retail Infra Private Limited ("Transferor Company 7"), Basuti Sales and Trading Private Limited ("Transferor Company 8"), Brattle Foods Private Limited ("Transferor Company 9"), Chirag Operating Lease Co. Private Limited ("Transferor Company 10"), Hare Krishna Operating Lease Private Limited ("Transferor Company 11"), Nice Texcot Trading & Agency Private Limited ("Transferor Company 12"), Nishta Mall Management Company Private Limited ("Transferor Company 13"), Ojas Tradelease and Mall Management Private Limited ("Transferor Company 14"), Precision Realty Developers Private Limited ("Transferor Company 15"), Rivaaz Trade Ventures Private Limited ("Transferor Company 16"), Syntex Trading and Agency Private Limited ("Transferor Company 17"), Taquito Lease Operators Private Limited ("Transferor Company 18") and Unique Malls Private Limited ("Transferor Company 19") collectively referred to as "Transferor Companies" with Future Enterprises Limited ("the Company" or "FEL" or "Transferee Company") and their respective Shareholders and Creditors, between the Company and Reliance Retail Ventures Limited ("RRVL") and their respective shareholders and creditors and between the Company and Reliance Retail and Fashion Lifestyle Limited ("RRVL WOS") and their respective shareholders and creditors ("The Composite Scheme of Arrangement" / Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

Upon the proposed Scheme become effective, the shareholders of FRL, FCL, FMNL, FLFL and FSC will be allotted equity shares of the Company in the ratio as mentioned in the Scheme.

Fractional entitlement arising out of the aforesaid allotment will be consolidated and allotted to one of the person nominated by the Board. Sale Proceeds of these shares will be distributed to shareholders who were entitled to such fractional shares. The new equity shares to be issued to the shareholders of Transferor Companies in terms of share entitlement ratio shall rank *pari passu* in all respects with the existing equity shares of the Company and accordingly be listed on the stock exchanges, subject to obtaining necessary regulatory approvals.

No shares would be issued upon merger of wholly owned subsidiary, Future Bazaar India Limited (FBIL) and its wholly owned subsidiary companies, pursuant to the Scheme, since merging with holding company.

- (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from the Company, as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL");
- (iii) Transfer and vesting of the Retail & Wholesale Undertaking from the Company as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS");
- (iv) Preferential allotment of equity shares and warrants of the Company to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

The Company is in process to file the application with the BSE Limited and National Stock Exchange of India Limited for obtaining the no objection and observation letter from Securities and Exchange Board of India, Competition Commission of India and National Company Law Tribunal (NCLT) for its approval.

SHARE CAPITAL

During the year under review, the Company has issued and allotted 7,13,133 Equity Shares the details of which are as under:

On November 5, 2019, the Company has made allotment of 7,13,133 Equity Shares of ₹ 2/- each to the employee of the Company upon exercise their rights of vested options granted to the said employee under Employees' Stock Option Scheme – 2012 (FEL ESOP 2012). None of the employee is in receipt of Equity Shares exceeding 1% of Equity Share capital of the Company against the vested options exercised by them under FEL ESOP – 2012 & 2015.

DIVIDEND AND RESERVES

In view of losses the Company could not recommend any dividend for the year under review.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), Dividend Distribution Policy is given as **Annexure I** to this

Report and same is also available on the website of the Company at the weblink: https://felindia.in/pdf/Dividend_Distribution_Policy.pdf.

In view of the losses, the Board has noted that no amount can be transferred to General Reserve for the year under review.

INVESTMENTS

During the year under review, the Company has made following investment which are as under:

- **Joint Venture / SPV Companies**

The Company has made further investment of ₹ 23.71 crore in Future Generali India Life Insurance Company Limited, ₹ 22.69 crore in Sprint Advisory Services Private Limited ₹ 24.23 crore in Future Generali India Insurance Company Limited, ₹ 23.19 crore in Shendra Advisory Services Private Limited as a part of its entitlements and unsubscribed portion of other shareholders in Rights issue.

- **Other Investments:**

Company has made payment second tranche of ₹ 5 crore in Livquik Technology (India) Private Limited of 7,11,74,377 Partly Paid Equity Shares.

Company has investments of ₹ 15 crore in Leanbox Logistics Solutions Private Limited by subscribing 5,08,388 fully paid equity shares.

DIVESTMENTS

On February 12, 2020 Company has transferred 5,45,454 equity shares of Work Store Limited ("WSL") to management share holders. Further, on March 5, 2020, buy-back 13,78,000 equity shares of WSL representing 21.49% of equity share capital were given under buy-back scheme off the WSL. Consequent to this WSL as become the Associate of the Company.

DEBENTURES

During the year under review, the Company has raised long term funds through Non-Convertible Debentures aggregating ₹ 200 crore. The funds were utilised for the objects as stated in the offer document issued at the time of raising funds. This has helped the Company to improve its debt maturity profile and reduce the cost of debt.

The Company has made timely payment of interests and principal amount, as and when it becomes due on debentures, issued by the Company. The Company has repaid the principal amount of Secured Redeemable Non-Convertible Debentures of approximately ₹ 1,357.50 crore, which includes non-convertible debentures due for payment in the year under review as well as for which the Company has exercised calls / put option for pre-payment together with accrued interest payable thereon.

PUBLIC DEPOSITS

During the current financial year, the Company has accepted Fixed Deposits from its Members and Public in accordance with the provisions of Sections 73 and 76 and other applicable provisions of the of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

The details relating to Deposits in terms of Rule 8(5) (v) of the Companies (Accounts) Rules, 2014 are given hereinunder:

Sr. No.	Particulars	Amount (₹ crore)
1	Deposits accepted during the year	384.44
2	Deposit remaining unpaid or unclaimed at the end of the year	-
3	Whether there has been any default in repayment of deposits or payment:	
	Particulars	Number of such cases
	At the beginning of the year	-
	Maximum during the year	-
	At the end of the year	-
4	Details of the deposits which are not in compliance with the requirements of Chapter V of the Act	-

The Company has received a declaration as a part of Fixed Deposit Application form, from its Directors, at the time of receipt of money, declaring that the amount is not being given out of funds acquired by him by way of any kind of borrowing or accepting loans or deposits from others. The management has now decided not to accept any further deposit w.e.f. September 07, 2020.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report as required under Regulation 34 read with Schedule V of the Listing Regulations, forms part of the Annual Report.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), forms part of the Annual Report.

POLICIES AND DISCLOSURE REQUIREMENTS

The Company has in *inter-alia* following policies and code of conduct duly approved by the Board of Directors of the Company:

- Details of programmes for familiarization of Independent Directors with the Company are available on the website of the Company at the link https://felindia.in/pdf/Details_of_Familiarisation_Programs_Imparted_to_Independent_Directors.pdf
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link https://felindia.in/pdf/Policy_For_Material_Subsiidiary.pdf
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link https://felindia.in/pdf/Policy_For_Determining_Materiality_Of_Events.pdf
- Archival policy of the Company is available on the website of the Company at the link https://felindia.in/pdf/Archival_Policy.pdf
- Policy for determining the code of conduct of board of directors and senior management personnel of the Company is available on the website of the Company at the link <https://felindia.in/pdf/code-of-conduct.pdf>
- The Remuneration Policy is available on the website of the Company at the link https://felindia.in/pdf/Remuneration_Policy.pdf
- Policy on dealing with related party transactions is available on the website of the Company at the link https://felindia.in/pdf/Related_Party_Transaction_Policy.pdf
- The Dividend distribution policy is given as **Annexure I** to this Report. The same is also available on the website of the Company at the link https://felindia.in/pdf/Dividend_Distribution_Policy.pdf

Furthermore, the foregoing policies are approved and revised by the Board of Director (including concerned committees) from time to time.

NUMBER OF BOARD MEETINGS

The Board of Directors has met 6 (Six) times during the financial year 2019-20. The details of Board meetings and the attendance of the Directors therein are provided in the Corporate Governance Report which forms part of the Annual Report.

COMMITTEES OF THE BOARD OF DIRECTORS

Details of Committees of the Company along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of the Annual Report.

SUBSIDIARY COMPANIES

The Company has following Subsidiaries (including step down subsidiaries), as at the end of financial year ended March 31, 2020.

Futurebazaar India Limited

Futurebazaar India Limited ("FBIL") is a wholly owned subsidiary and is set up as the e-Retailing arm of the Future Group for providing on-line shopping experience through e-portal www.futurebazaar.com. FBIL is successfully operating its e-retailing business and during the financial year ended March 31, 2020, it has registered income from operations amounting to ₹ 0.08 crore and its net Loss stood at ₹ 0.22 crore.

Future Media (India) Limited

Future Media (India) Limited ("FMIL") is the Future Group's media venture, aimed at creation of media properties in the ambience of consumption and thus offers active engagement to brands and consumers. The Company holds equity capital of 93.10% in FMIL however, considering the total capital comprising of convertible preference capital the Company's holding in the total capital of FMIL works out to 35.37%. FMIL also has Convertible Preference Shares, which has not yet been converted into equity shares. During the financial year ended March 31, 2020, FMIL registered income from operations amounting to ₹ 29.03 crore and the net Profit stood at ₹ 4.80 crore.

Bluerock eServices Private Limited

Bluerock eServices Private Limited ("BEPL") is wholly owned subsidiary of the Company. BEPL deals in the business of providing services for operation and maintenance of IT enabled platforms. BEPL has earned revenue of ₹ Nil crore & incurred net profit of ₹ 0.20 crore during the year ended March 31, 2020.

Future E-Commerce Infrastructure Limited

Future E-Commerce Infrastructure Limited ("FECIL") is to capture the consumption space through the internet, as well as other technology based and digital modes and provide infrastructure services for the same. The Company holds equity capital of 81.67% however, considering total capital comprising of convertible preference capital the Company's holding in the total capital of FECIL works out to 40.33%. FECIL also has convertible preference shares, which has not yet been converted into equity shares. During the financial year ended March 31, 2020, FECIL registered income from operations amounting to ₹ 0.08 crore and the net loss stood at ₹ 0.26 crore.

Future Merchandising & Sourcing Pte. Ltd.

Future Merchandising & Sourcing Pte. Limited (FMSPL) is wholly owned subsidiary of company based in Singapore to undertake the activity of global sourcing of food, fashion, footwear and others from international markets. FMSPL has earned revenue of ₹ Nil crore & incurred net loss of ₹ 0.05 crore during the year ended March 31, 2020.

Ritvika Trading Private Limited

The Company acquired 100% equity share capital of Ritvika Trading Private Limited ("RTPL") on November 19, 2018 and consequently RTPL became the wholly owned subsidiary of the Company. The RTPL is in the business of

buying, selling, importing, exporting, supplying, trading, dealing in all types of goods and services. During the financial year ended March 31, 2020, RTPL registered income from operations amounting to ₹ Nil crore and the net loss stood at ₹ 9.45 crore.

Work Store Limited (until March 05, 2020)

Work Stores Limited ("WSL") is designed to capture the consumption space of office supplies, office equipment and products. WSL was formed as a joint venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA).

During the year under review, WSL become associate company from subsidiary company, Your Company holds equity capital of 41.57% in WSL. During the financial year ended March 31, 2020, WSL has registered income from operations amounting to ₹ 84.72 crore and the net profit at ₹ 3.60 crore.

Office Shop Private Limited (until March 05, 2020)

Office Shop Private Limited ("OSPL") was incorporated to deal in the business of distribution of office products. OSPL is 100% subsidiary of WSL and accordingly, is a step-down subsidiary of the Company until March 05, 2020. OSPL has earned revenue of ₹ Nil crore & incurred net loss of ₹ 1.52 crore during the year ended March 31, 2020.

Leanbox Logistics Solutions Pvt Ltd. (LLSL) (w.e.f. July 27, 2019)

Leanbox Logistics Solutions Private Limited (LLSL) is engaged in business of providing technology driven logistics and delivery solutions to general retailers/retail stores and wholesale trading of FMCG products. LLSL is Associate of FSCSL. LLSL has earned revenue of ₹ 102.07 crore & incurred net loss of ₹ 40.97 crore during the year ended March 31, 2020.

Future Supply Chain Solutions Limited subsidiary- it is associate of Ritvika Trading Private Limited

Future Supply Chain Solutions Limited ("FSCSL") covers the entire gamut of supply chain services across logistics value chain including smart warehousing, an efficient transportation and distribution system, temperature-controlled logistics and last mile delivery logistics. The solution architecture is orchestrated through sophisticated and highly automated state-of-the-art technology systems, pan-India distribution network, integrated warehouse management systems and hub and spoke transportation model enabling innovative service offering to the customers in an optimised and cost-efficient manner.

During the year under review FSCSL became associate company from step down subsidiary. Ritvika Trading Private Limited (RTPL) w.e.f. December 17, 2019 holds 46.75% stake in FSCSL. FSCSL has registered income from operations amounting to ₹ 1,140.55 crore and the earned net Loss of ₹ 63.88 crore during the year ended March 31, 2020.

ASSOCIATE COMPANY

LivQuik Technology (India) Private Limited

LivQuik Technology (India) Private Limited["LT(I)PL"], operates three key business verticals – providing software solutions to enterprises, issuance of prepaid payment instruments, and aggregating merchants for its payment gateway business. LT(I)PL is Associate Company of the Company. LT(I)PL has earned revenue of ₹ 10.96 crore & incurred net loss of ₹ 1.10 crore during the year ended March 31, 2020.

JOINT VENTURES

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

The Company has entered joint venture with National Textile Corporation (NTC) for the restructuring and development of the Apollo Mills and Goldmohur Mills situated in Mumbai. For the same two separate SPV companies have been created viz. Apollo Design Apparel Parks Limited ("ADAPL") & Goldmohur Design & Apparel Park Limited ("GDAPL"). The ADAPL & GDAPL would be working for the restructuring and development of the Apollo Mills and Goldmohur Mills, respectively as per the memorandum of understanding and other documents signed between Company and NTC. During the financial year ended March 31, 2020, ADAPL registered income from operations amounting to ₹ 280.17 crore and earned net profit of ₹10.37 crore. Furthermore, GDAPL registered income from operations amounting to ₹ 273.79 crore and earned net profit of ₹ 8.65 crore.

Future Generali India Life Insurance Company Limited

Future Generali India Life Insurance Company Limited ("FGI-Life") is Company's joint venture with Participatie Maatascchappij Graafsschap Holland NV, (Generali) in the Life insurance sector. FGI-Life has introduced many insurance products to suit requirements of various categories of customers. During the financial year ended March 31, 2020, FGI-Life has registered income from operations of ₹ 1,278.14 crore and net loss of ₹ 189.61 crore.

Future Generali India Insurance Company Limited

Future Generali India Insurance Company Limited ("FGI-Nonlife") is Company's joint venture with Participatie Maatascchappij Graafsschap Holland NV, (Generali) in the general insurance sector. FGI-Nonlife has introduced insurance products for various general insurance needs of the different categories of customers. During the financial year ended March 31, 2020, FGI-Nonlife has registered income from operations of ₹ 1,981.58 crore and net profit of ₹ 89.72 crore.

Shendra Advisory Services Private Limited

Shendra Advisory Services Private Limited ("Shendra") is a SPV with respect to the Company's insurance arm Future Generali India Insurance Company Limited. During the financial year ended March 31, 2020, Shendra has registered income from operations of ₹ 0.26 crore and net loss of ₹ 0.02 crore.

Sprint Advisory Services Private Limited

Sprint Advisory Services Private Limited ("Sprint") is a SPV with respect to the Company's insurance arm Future Generali India Life Insurance Company Limited. During the financial year ended March 31, 2020, Sprint has registered income from operations of ₹ Nil crore and net Loss of ₹ 0.13 crore.

Separate statement containing the salient features of the financial statements of subsidiaries and associate companies including joint ventures is provided in Form AOC-1 forming part of financial statements of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statement which is prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company containing therein the audited standalone and consolidated financial statement and the audited financial statements of each of the subsidiary companies have been placed on the website of the Company at a weblink www.felindia.in. The audited financial statements in respect of subsidiaries shall also be available for electronic inspection without any fees by the Members. The aforesaid documents are also available to Members interested in obtaining the same upon a request made to the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Anil Harish, an Independent Director of the Company, has completed his term of appointment of five years on August 1, 2019 and accordingly ceased to be a director with effect from said date.

During the year under review, Mr. Haresh Chawla, an Independent director of the Company has resigned from the Board of the Company and consequently from the various Committees of the Board in which he was a Member / Chairman with effect from March 31, 2020 owing solely to compelling personal factors. It has also been confirmed that there are no other material reasons for his resignation.

Mr. Anandkrishnan Chandrasekaran was appointed as an Independent Director on August 10, 2019 for a period of 5 (Five) years.

In terms of section 152 of the Act, Mr. Kishore Biyani (DIN : 00005470) is liable to retire by rotation and being eligible, offers himself for re-appointment.

The term of Mr. Vijay Biyani (DIN: 00005827), as Managing Director, was for a period of three years and it is expiring on September 26, 2020. The Board is seeking to reappoint Mr. Vijay Biyani as a Managing Director for a period of three years. Detail of the proposal for appointment of Mr. Vijay Biyani is mentioned in the Statement under Section

102 of the Companies Act, 2013 of the Notice of the 32nd Annual General Meeting.

Brief resume, nature of expertise, details of directorships held in other companies of the above Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard on General Meeting ("SS-2") and Regulation 36 of the Listing Regulations, is appended as an annexure to the Notice of ensuing Annual General Meeting.

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

DECLARATION OF INDEPENDENCE

The Company has received necessary declarations from all the Independent Directors that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated which could impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence.

Further, a confirmation in connection with enrolment in the Data Bank created by Ministry of Corporate Affairs for Independent Directors, has been received from all the Independent Directors of the Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

PARTICULARS OF EMPLOYEE STOCK OPTION SCHEME, 2012 AND 2015 ("FEL ESOS, 2012", "FEL ESOS, 2015") AND EMPLOYEE STOCK OPTION PLAN, 2019 ("FEL ESOP, 2019")

On November 5, 2019, the Company has made allotment of 7,13,133 Equity Shares of ₹ 2/- each to the employees of the Company upon exercise their rights of vested options granted to the said employees under Employees' Stock Option Scheme – 2012 (FEL ESOP 2012).

On February 14, 2020, the Nomination and Remuneration Committee of the Company has granted Options of 66,51,984 Restricted Stock Units (RSU) to the eligible employees of the Company under Future Enterprises Limited Employees' Stock Option Scheme (FEL ESOP – 2019"). Details of RSU are as under:

The Vesting Period: After the expiry of 12 months, 24 months and 36 months from the date of grant, as the case may be.

Exercise Period: Not later than 3 years from the date of vesting

Exercise Price: ₹ 2/- per Equity Share

Conversion: Each RSU is convertible into 1 (One) Equity Share of 2/- each

The applicable disclosures as stipulated under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulation, 2014 as on March 31, 2020 with regard to ESOS, 2012 and ESOP, 2015 are provided in **Annexure II** to this Report.

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92 and 134 of the Act, an extract of Annual Return in prescribed format is annexed to this Report as **Annexure III** and copy of annual return is placed on the website of the Company at the web-link <https://felindia.in>.

PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans granted, guarantee provided and investment made by the Company which are covered under the provision of Section 186 of the Act, is provided in note no. 47 of Notes forming part of Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Disclosure of transactions with related parties as required under the Indian Accounting Standard (Ind AS) has been made in the notes forming part of the financial statements.

Particulars of contract or arrangements with related parties referred to in section 188(1) of the Act, in the prescribed Form AOC-2, is appended as **Annexure IV**, which forms part of this Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the Section 124 and other applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years.

During the year under review there was no transfer of dividend or shares.

MATERIAL CHANGES AND COMMITMENTS

Your Directors further state that there were no material changes have taken place that could have an impact

on the financial position of the Company from the date of closure of financial year under review till the date of signing of this report.

FUTURE OUTLOOK

The basic foray of the Company, retail industry, would be up for multiple challenges in the time ahead. The retail would need to face change of product choices due to change in class of customer due to demographic change, products becoming more costlier, increasing digitalisation and e-commerce options available due to lockdown would change preference of the customer due to wider choices available at click of button from the comfort of sitting at your home / workplace. A leading study of the retail has shown that there could be many more challenges for the retail sector and hence same could also percolate to the Company.

The Company would need to ensure that the fashion offerings it provide are good and appealing not only on a brick and mortar store but also on an e-commerce website and same would hold true for the various food processing products it propose to offer through online and offline retail market. The look and feel of the products would become very important to attract the ultimate customer and hence the retailers, who would be customers of the Company.

VIGIL MECHANISM

The Company has established a vigil mechanism to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s) and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted / framed from time to time. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The Company has formulated and disseminated a Whistle Blower Policy to provide Vigil Mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of the Act and the regulations of the Listing Regulations.

Furthermore, the policy outlining this mechanism is approved and revised by the Board of Directors from time to time.

AUDITORS AND AUDITORS' REPORT

As per Section 139 of the Act and the rules made thereunder, M/s. DMKH & Co., Chartered Accountants, (Firm Registration No.: 116886W) was appointed as the Statutory Auditors of the Company to hold office for a period of 5 (Five) years consecutive years from the conclusion of the 29th Annual General Meeting of the Company held on August 29, 2017 till the conclusion of the 34th Annual General Meeting to be held in the year 2022.

The Company has received a written confirmation from the M/s DMKH & Co., Chartered Accountants, for their appointment as Statutory Auditors that their continued appointment shall be in accordance with the criteria and provisions as provided under Section 139 and 141 of the Act and rules made thereunder.

The statutory auditors included qualifications in their report on the Consolidated Financial Statements for the year 2019-20. The Audit Committee and Board of Directors at their respective meetings held while approving the said Financial Statements reviewed such qualifications and provided appropriate explanations.

A statement containing the details of qualifications, explanation by the Board and impact of the qualifications as required under section 134(3)(f) and regulation 34(2), 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows.

a) Future Supply Chain Solutions Limited

During the year, the Company has raised term loan from a bank amounting to ₹ 22,500 lakhs which has not been utilised for the purpose for which it was sanctioned and consequently used in the normal course of business. In the absence of any clarity on non-compliance with the terms and conditions of sanction as well as breach of covenants, we are unable to comment on the impact of aforesaid utilisation and non-compliances on the financial statements.

Management Note:

The term loan raised has been initially utilised as per the terms of the arrangement. Subsequently expansion plans of the Company have been temporarily kept on hold on account of slow-down of economy and outbreak of Coronavirus (COVID-19) pandemic. The orders raised were cancelled and advance refunded were subsequently utilised in the normal course of business because of constraints. The Company plans to repay this loan within this financial year.

b) Leanbox Logistics Solutions Private Limited

The Company is continuously suffering losses from operations with net loss for the year ended March 31, 2020 amounting to ₹ 40,97,24,322 and as of that date, the Company's accumulated losses amount to ₹ 1,31,09,098 as against Company's share capital of ₹ 1,35,64,560 and the net-worth of the Company has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However, the financials has not been prepared with such adjustments for the year ended March 31, 2020.

Management Note:

During the year the Company has made significant growth in revenue from ₹ 57 crore to ₹ 102 crore and the Company could also mobilise further funds through equity contributions, which ensured reduction of negative net worth. Further the new investors would be able to provide further funds to ensure continuity of operations and accordingly as going concern.

The Auditors' Report is enclosed with the financial statements as a part of this Annual Report.

During the year 2019-20, there was no instance of fraud committed against the Company by its officers or employees, as reported by Statutory Auditors or Secretarial Auditor to the Audit Committee under Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to Section 179 and 204 of the Act and rules made thereunder, M/s. Virendra Bhatt, Practicing Company Secretary (Membership No. 1157 / Certificate of Practice No.124) was appointed as a Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2019-20, as required under section 204 of the Act and rules made thereunder.

The Secretarial Audit Report for the financial year 2019-20 is appended as **Annexure V** which forms part of this Report.

The said Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Act, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) 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 as at March 31, 2020 and of the loss of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended March 31, 2020, on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that

such internal financial controls are adequate and were operating effectively.

- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ON FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

The particulars as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are provided in **Annexure VI** which forms part of this report.

The Company being concentrating on the domestic consumption space does not have any specific exports initiatives to report to members.

AUDIT COMMITTEE

The Composition, terms of reference, powers and roles of Audit Committee of the Company are disclosed in the Corporate Governance Report, which forms part of the Annual Report. There were no instances where the Board did not accept the recommendations of the Audit Committee.

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying assessing, mitigating, monitoring and reporting of all risk associated with the business of the Company.

The Board has delegated responsibility to the Risk Management Committee to monitor and review risk management, assessment and minimisation procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risk which the Company may be exposed to.

Moreover, as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the role of Committee has been widened by adding a function of looking after cyber security of the Company.

The Audit Committee and the Board also periodically review the risk management assessment and minimisation procedures.

The Company has in place adequate internal financial controls with reference to Financial Statements. Key risks and threats to the Company and internal Controls are analysed and mentioned in the Management Discussion and Analysis which forms part of this Annual Report.

CORPORATE RESPONSIBILITY STATEMENT (CSR)

The Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in

accordance with Section 135 of the Act. The Board of Directors of the Company has based on recommendation made by CSR Committee, formulated and approved CSR Policy of the Company and which has also been placed on website at a weblink : https://felindia.in/pdf/CSR_Policy.pdf

The Company has set up "Sone Ki Chidiya" Foundation Trust with an objective to consolidate and merge the CSR funds at Future Group level so that the combined corpus from all the Group entities would help in undertaking better and larger CSR initiatives.

The disclosures including *inter-alia* the composition of CSR Committee and the brief outline of CSR policy as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is annexed to this Report as **Annexure VII**.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has complied with the provisions relating to Internal Complaints Committee ("ICC"). Further, ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines as provided in the policy. ICC conducts training workshop mainly focusing on investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through various kind of case studies, role plays activities based on real life examples, role of ICC, critical attitudes of an ICC member and investigation process & report writing, etc.

The detail regarding the cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are disclosed in the Corporate Governance Report which forms part of this Annual Report.

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of performance of its own, the Committees and individual directors thereof.

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the independent directors was carried out by the entire Board except the independent director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Moreover, further detail regarding skill, expertise and competencies of directors are disclosed in the Corporate Governance Report which forms part of the Annual Report.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure VIII**, which is annexed to this Report.

In terms of the provisions of first proviso to Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report.

Furthermore, none of the Director, who is a Managing Director or Whole-time Director of the Company is in receipt of any remuneration from any subsidiary of the Company.

The statement also provides details of the performance and financial position of each of the subsidiaries. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and other related information of the Company and audited accounts of each of its subsidiaries, are available on our website, www.felindia.com.

If any member is interested in obtaining such information, such member may write to the Company Secretary and

the same will be furnished on request. The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their e-mail addresses and is also available on the Company's website.

CREDIT RATING

The details pertaining to credit rating obtained or assigned during the year under review is given in Corporate Governance Report forming part of this Annual Report.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

OTHER DISCLOSURES

During the year under review:

- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
- None of Managing Director or the Whole-time Directors of the Company is in receipt of any remuneration or commission from any of its subsidiary companies;
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

ACKNOWLEDGEMENT

Your Directors would like to thank and place on record their appreciation for the support and co-operation provided to your Company by its Shareholders, Future Group entities, and in particular, their employees, bankers, regulatory authorities. Your Directors would also like to place on record their appreciation for the efforts put in by employees of the Company during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : September 07, 2020

V. K. Chopra
Chairman

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

Company's philosophy:

Future Enterprises strives to ensure and preserve stakeholders' value and work towards enhancing net worth of the Company as well as overall stakeholders' value. While achieving the above objective, the Company also ensures protecting the interest of all stakeholders, including the society at large.

Future Enterprises looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximise long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles.

Our dividend pay-out ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward shareholders.

Declaration of Dividend:

In line with the philosophy described above, the Board reviews the operating performance every quarter and shall strive to distribute optimum and appropriate level of profits in the form of interim / final dividend, from time to time. All dividend are subject to statutory regulations and approvals, as applicable. Overall, the dividend payout in each year will depend upon business performance, investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company.

Per share basis:

The dividend will be declared on per share basis only.

Circumstances under which the shareholders of the listed entities may not expect dividend:

The Board may choose not to recommend a dividend, if there are important strategic priorities which require large investments that would deplete the company's cash reserves or uncertainties in the business performance in the near to medium term.

Financial parameters considered while declaring dividend:

The financial parameters that may be considered before declaring dividend are profitability, cash flow, obligations, taxation policy, past dividend rates and future growth and profitability outlook of the company.

Internal and external factors considered while declaring dividend:

The Board leads the strategic management of the company on behalf of the Shareholders, exercise supervision through direction and control and appoints various committees to handle specific areas of responsibilities. In this endeavour, the Board reviews various types of information provided to it which has a bearing on declaring dividend.

Key internal and external factors are listed below (not exhaustive):

Internal:

- Annual operating plans, budgets, updates
- Capital budgets
- Quarterly and Annual results
- Investments including Mergers and Acquisitions (M&A)
- Strategic updates / financial decisions
- Funding arrangements
- Any other matter / risks

External:

- Macro-economic environment
- Competition
- Legislations impacting business
- Statutory restrictions
- Changes in accounting policies and applicable standards
- Client related risks

Any other matter / risks apprehended by the Board

Usage of retained earnings:

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

Parameters that are adopted with regard to various classes of shares:

The Company would ensure compliance with statutory guidelines, terms and conditions of issue of shares of specific class and provisions contained in Article of Association. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors to all shareholders.

ANNEXURE II

Future Enterprises Limited Employees Stock Option Plan - 2012 and 2015 (FEL ESOP - 2012 and 2015) and Restrictive Stock Units / FEL Employees Stock Option Plan - 2019 (FEL RSU/ESOP - 2019) of the Company as at March 31, 2020

Future Enterprises Limited ("FEL") has granted Options to eligible employees in 2019 under Employee Stock Option Scheme, 2015 ("FEL ESOP, 2015") and Restrictive Stock Units / FEL Employees Stock Option Plan - 2019 (FEL RSU/ESOP - 2019).

Sr. No.	Particulars	FEL ESOP 2015	FEL RSU/ESOP 2019
A	Disclosure in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Refer Note No. 37 to Financial Statements	Refer Note No. 37 to Financial Statements
B	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Refer Note No. 36 to Financial Statements	Refer Note No. 36 to Financial Statements

C. Disclosure with respect to Future Enterprises Limited Employees Stock Option Plan - 2012 and 2015 (FEL ESOP 2012 and FEL ESOP 2015) of the Company as at March 31, 2020

Sr. No.	Particulars	FEL ESOP, 2012	FEL ESOP, 2015	FEL RSU/ESOP, 2019
I	Date of Shareholders' approval	Approved by the shareholders dated February 4, 2013	Approved by the shareholders dated March 30, 2015	Approved by the shareholders dated July 30, 2019
II	Total number of options approved	25,00,000 (Twenty-Five Lakh only) Equity Shares of face value of ₹ 2/- each + 2,74,989 (Two Lakh Seventy Four Thousand Nine Hundred Eighty Nine) Equity Shares of face value of ₹ 2/- each.	75,00,000 (Seventy-Five Lakh only) Equity Shares of face value of ₹ 2/- each.	1,36,00,000 (One crore Thirty Six Lakh only) Equity Shares of face value of ₹ 2/- each.
III	Vesting requirements	Exercise period for the options under the Employees Stock Option Scheme, 2012 (ESOS-2012) occurs immediate on Grant (since minimum vesting period has already lapsed since original grant)	Options granted under FEL ESOP 2015 would vest not less than 1 year and not more than 18 months from the date of such grant	Options granted under FEL RSU/ESOP 2019 would vest not less than 1 year and not more than 36 months from the date of such grant
IV	Exercise price or pricing formula (in ₹)	10 revised to 2	2, 21.60 and 21.90	2
V	Maximum term of options granted	3 Years from the respective date of vesting of options granted	3 Years from the respective date of vesting of options granted	3 Years from the respective date of vesting of options granted
VI	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
VII	Variation in terms of options	None	None	None
VIII	Method used to account for ESOP	Black Scholes Method	Black Scholes Method	Black Scholes Method

D. The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2019-20 would be ₹ 5.83 crore.

E. Option movement during the year ended on March 31, 2020

Sr. No.	Particulars	Details		
		FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ ESOP 2019
I	Details Number of options outstanding at the beginning of the year	7,13,133	51,25,000	Nil
II	Number of options revised during the Year during the year	Nil	Nil	Nil
III	Number of options granted during the year	Nil	Nil	66,51,984
IV	Number of options forfeited / Cancelled / lapsed during the year	Nil	Nil	Nil
V	Number of options vested during the year	Nil	Nil	Nil
VI	Number of Options Unvested	Nil	Nil	Nil
VII	Number of options exercised during the year	7,13,133	Nil	Nil
VIII	Number of shares arising as a result of exercise of options	7,13,133	Nil	Nil
IX	Exercise Price	2	Nil	Nil
X	Money realised by exercise of options, if scheme is implemented directly by the Company	14,26,266	Nil	Nil
XI	Loan repaid by the Trust during the year from exercise price received	NA	N.A	N.A
XII	Total number of options outstanding (in force) at the end of the year	Nil	51,25,000	66,51,984
XIII	Number of options exercisable at the end of the year	Nil	51,25,000	66,51,984

F. Weighted average Share Price of options granted during the year:

		FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ ESOP 2019
I	Exercise price equals market price (in ₹)		37.40 and 38.23	21.63
II	Exercise price is greater than market price (in ₹)	-	-	-
III	Exercise price is less than market price (in ₹)	-	-	-

Weighted average Exercise Price of options granted during the year:

		FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ ESOP 2019
I	Exercise price equals market price (in ₹)	-	-	-
II	Exercise price is greater than market price (in ₹)	-	-	-
III	Exercise price is less than market price (in ₹)	2	2, 21.60 and 21.90	2

Weighted average Fair Value of options (Black Scholes) granted during the year:

		FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ ESOP 2019
I	Exercise price equals market price (in ₹)	-	-	-
II	Exercise price is greater than market price (in ₹)	-	-	-
III	Exercise price is less than market price (in ₹)		22.78 and 23.29	20

G. Employee-wise details of options/RSU granted during the year on March 31, 2020

I	Senior Managerial Personnel			
	Name of the Employee	No. of options		
		FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ESOP 2019
1	Ms. Bharati Balakrishnan	-	-	23,12,776
2	Mr. Amandeep Lohan	-	-	30,17,622
3	Mr. Harsh Kundra	-	-	13,21,586

II	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year			
	Name of the Employee	No. of options		
		FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ESOP 2019
1	Mr. Dinesh Maheshwari (KMP)	-	7,87,500	-
2	Mr. Sanjay Rathi	-	6,82,500	-
3	Mr. Vishal Kapoor	-	5,25,000	-
4	Mr. Rajesh Kalyani	-	5,25,000	-
5	Mr. Deepak Tanna	-	5,25,000	-
6	Mr. Anuraag Agarwal	-	12,00,000	-
7	Mr. Hardeep Singh	-	5,00,000	-
8	Ms. Bharati Balakrishnan	-	-	23,12,776
9	Mr. Amandeep Lohan	-	-	30,17,622
10	Mr. Harsh Kundra	-	-	13,21,586
III	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants:-			
	None			

H. Method and Assumptions used to estimate the fair value of options granted during the year

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows

	FEL ESOP 2012	FEL ESOP 2015	FEL RSU/ESOP 2019
Risk Free Interest Rate	-	7.72% and 7.20%	5.80% , 5.82%, 5.86%
Expected Life	-	3.65 years	3.40 and 3.65 years
Expected Volatility	-	44.03% and 43.75%	57.92% , 57.63% , 57.27%
Expected Dividend	-	0	0
Price of underlying shares in the market at the time of Option grant (in ₹)			
Stock Price	Average price on NSE Limited on the date of grant has been considered.		
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option.		
Risk-free rate of return	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities		
Exercise Price	Exercise Price of each specific grant has been considered		
Time to Maturity	Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live		
Expected Dividend Yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.		

I. Details of the Company's Employees' Welfare Trust:

The details *inter-alia*, in connection with transactions made by the Trust meant for the purpose of administering the Future Enterprises Limited Employee Stock Option Plan - 2012 and 2015 and Restrictive Stock Units / FEL Employees Stock Option Plan - 2019 (FEL RSU/ESOP - 2019) are as under:

i. General Information of the Trust

Name of the Trust	Future Enterprises Limited Employees' Welfare Trust
Details of the Trustee(s)	Milestone Trusteeship Services Private Limited
Amount of loan disbursed by Company / any Company in the group, during the year	Nil
Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	Nil
Amount of loan, if any, taken from any other source for which Company / any Company in the group has provided any security or guarantee.	Nil
Any other contribution made to the Trust during the year	Nil

ii. Brief details of transactions in shares by the Trust : None

iii. In case of secondary acquisition of shares by the Trust : None

For and on behalf of the Board of Directors

Place: Mumbai
Date : September 07, 2020

V. K. Chopra
Chairman

ANNEXURE III

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L52399MH1987PLC044954
ii.	Registration Date	October 12, 1987
iii.	Name of the Company	Future Enterprises Limited
iv.	Category / Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered office and contact details	"Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 Tel No.: +91 22 4055 2200 Fax No.: +91 22 4055 2201 Email : investorrelations@futuregroup.in Website : www.felindia.in "
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C - 101, Embassy 247, L.B.S Marg, Vikhroli (West), Mumbai - 400 083. Tel No.: +91 22 4918 6000 Fax No.: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Manufacturing and Trading	14 and 46	81.24
2	Renting of Assets Activities	77	18.76

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	NAME & ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Future Media (India) Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74300MH2006PLC160375	Subsidiary	93.10	Section 2(87) (iii)
2	Futurebazaar India Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U51900MH2006PLC159197	Subsidiary	100.00	Section 2(87) (iii)
3	Future E-Commerce Infrastructure Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U52399MH2007PLC171178	Subsidiary	86.71	Section 2(87) (iii)

Sr. No.	NAME & ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
4	Bluerock eServices Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U72900MH2012PTC298230	Subsidiary	100.00	Section 2(87) (iii)
5	Future Merchandising & Sourcing Pte. Ltd. 14, Robinson Road, #08-01A, Far East Finance Building, Singapore - 048 545	201718557K	Subsidiary	100.00	Section 2(87) (iii)
6	Ritvika Trading Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74999MH2017PTC292801	Subsidiary	100.00	Section 2(87) (iii)
7	Leanbox Logistics Solutions Private Limited ** C-603, Mangalya Building, Marol Maroshi Road, Gamdevi, Near Leafio Hotel, Andheri - East, Mumbai 400 059	U74999MH2016PTC282290	Subsidiary	60.56%	Section 2(87) (iii)
8	Future Supply Chain Solutions Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	L63030MH2006PLC160376	Stepdown Subsidiary	46.75	Section 2(87) (iii)
9	Work Store Limited* Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74999MH2007PLC166866	Subsidiary until March 5, 2020	61.66	Section 2(87) (iii)
10	Office Shop Private Limited* 509, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai 400018	U30006MH2007PTC173922	Step down Subsidiary until March 5, 2020	61.66	Section 2(87) (iii)
11	Apollo Design Apparel Parks Limited 382, N. M. Joshi Marg, Chinchpokli, Mumbai 400 011	U17291MH2007GOI195397	Joint Venture	39.00	Section 2(6)
12	Goldmohur Design and Apparel Park Limited Dada Saheb Phalke Road, Dadar (East), Mumbai 400 014	U17291MH2007GOI195402	Joint Venture	39.00	Section 2(6)
13	Future Generali India Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013	U66030MH2006PLC165287	Joint Venture	25.51	Section 2(6)

Sr. No.	NAME & ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
14	Future Generali India Life Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013	U66010MH2006PLC165288	Joint Venture	8.62	Section 2(6)
15	Sprint Advisory Services Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U51909MH2005PTC151869	Joint Venture	49.81	Section 2(6)
16	Shendra Advisory Services Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U45200MH2005PTC157267	Joint Venture	49.82	Section 2(6)
17	LivQuik Technology (India) Private Limited Unit No. 206, B Wing, Supreme Business Park, Hiranandani Garden, Powai, Mumbai - 400 076	U74999MH2012PTC232972	Associate	38.19	Section 2(6)

Associate (w.e.f. March 5, 2020)

* 100% subsidiary of Work Store Limited

** Held by FSC 23.08% and FEL 37.48%

IV. SHAREHOLDING PATTERN

(i) (a) Equity Share Capital Breakup as percentage of total Equity Shares Categorywise Shareholding

Category code	Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year (Equity Shares)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	-	-	-	-	-	-	-	-	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	228,010,572	-	228,010,572	50.12	230,748,191	-	230,748,191	50.72	0.60
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(1)	228,010,572	-	228,010,572	50.12	230,748,191	-	230,748,191	50.72	0.60
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	0.00
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00

Category code	Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year (Equity Shares)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	228,010,572	-	228,010,572	50.12	230,748,191	-	230,748,191	50.72	0.60
(B)	Public shareholding									
(2)	Institutions									
(a)	Mutual Funds/ UTI	4,711,443	-	4,711,443	1.04	4,797,812	-	4,797,812	1.05	0.02
(b)	Financial Institutions/ Banks	5,734,922	-	5,734,922	1.26	6,316,021	-	6,316,021	1.39	0.13
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Alternate Investment Funds	-	-	-	-	-	-	-	-	0.00
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
(f)	Insurance Companies	2,616,004	-	2,616,004	0.58	2,616,004	-	2,616,004	0.58	0.00
(g)	Foreign Institutional Investor	-	-	-	-	-	-	-	-	0.00
(h)	Foreign Portfolio Investor	6,341,731	-	6,341,731	1.39	6,861,413	-	6,861,413	1.51	0.11
(i)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(j)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	Sub-Total (B)(1)	19,404,100	-	19,404,100	4.27	20,591,250	-	20,591,250	4.53	0.26
(2)	Non-Institutions									
(a)	Bodies Corporate									
	Indian	128,085,779	2,005	128,087,784	28.16	128,628,585	2,000	128,630,585	28.27	0.12
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	34,921,533	496,332	35,417,865	7.79	32,791,536	462,628	33,254,164	7.31	(0.48)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	33,413,262	-	33,413,262	7.34	32,584,200	-	32,584,200	7.16	(0.18)
(c)	NBFC registered with RBI	569,446	-	569,446	0.13	854,418	-	854,418	0.19	0.06
(d)	Any Other									
	1. N R I	2,239,720	-	2,239,720	0.49	1,948,738	-	1,948,738	0.43	(0.06)
	2. Directors & Relatives	275,000	-	275,000	0.06	978,133	-	978,133	0.22	0.15
	3. Clearing Member	1,025,675	-	1,025,675	0.23	431,084	-	431,084	0.09	(0.13)
	4. Trust	5,555	-	5,555	0.00	555	-	555	0.00	(0.00)
	5. Hindu Undivided Family	5,218,489	-	5,218,489	1.15	4,359,283	-	4,359,283	0.96	(0.19)
	6. IEPF	549,800	-	549,800	0.12	549,800	-	549,800	0.12	0.00
	Sub-Total (B)(2)	206,304,259	498,337	206,802,596	45.46	203,126,332	464,628	203,590,960	44.75	(0.52)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	225,708,359	498,337	226,206,696	49.72	22,37,17,582	464,628	224,182,210	49.28	(0.26)
	TOTAL (A)+(B)	453,718,931	498,337	454,217,268	99.84	454,465,773	464,628	454,930,401	100.00	0.35
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
	GRAND TOTAL (A)+(B)+(C)	453,718,931	498,337	454,217,268	99.84	454,465,773	464,628	454,930,401	100.00	0.16

(i) (b) Class B (Series 1) Share Capital Breakup as percentage of total Class B (Series 1) Shares Category wise Shareholding

Category code	Category of Shareholders	No. of Class B (Series 1) Shares held at the beginning of the year				No. of Class B (Series 1) Shares held at the end of the year				% Changes during the year (Class B Shares (Series 1))
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	88,115	-	88,115	0.22	88,115	-	88,115	0.22	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	2,83,48,465	-	2,83,48,465	72.00	2,83,48,465	-	2,83,48,465	72.00	0.00
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(1)	2,84,36,580	-	2,84,36,580	72.22	2,84,36,580	-	2,84,36,580	72.22	-
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Promoter Companies	-	-	-	-	-	-	-	-	0.00
(c)	Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2,84,36,580	-	2,84,36,580	72.22	2,84,36,580	-	2,84,36,580	72.22	-
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/ UTI	75,050	-	75,050	0.19	75,050	-	75,050	0.19	0.00
(b)	Financial Institutions/ Banks	96,991	-	96,991	0.25	97,191	-	97,191	0.25	0.00
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
(f)	Insurance Companies	400	-	400	0.00	400	-	400	0.00	0.00
(g)	Foreign Institutional Investor	-	-	-	-	-	-	-	-	0.00
(h)	Foreign Portfolio Investor	-	-	-	-	50,000	-	50,000	0.13	0.13
(i)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(j)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	Sub-Total (B)(1)	1,72,441	-	1,72,441	0.44	2,22,641	-	2,22,641	0.57	0.13

Category code	Category of Shareholders	No. of Class B (Series 1) Shares held at the beginning of the year				No. of Class B (Series 1) Shares held at the end of the year				% Changes during the year (Class B Shares (Series 1))
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
(a)	Bodies Corporate									
	Indian	11,44,504	310	11,44,814	2.91	7,85,775	310	7,86,085	2.00	(0.91)
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	30,51,238	58,699	31,09,937	7.90	30,82,165	55,844	31,38,009	7.97	0.07
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	47,78,830	-	47,78,830	12.14	50,25,934	-	50,25,934	12.76	0.63
(c)	NBFC registered with RBI	2,000	-	2,000	0.01	-	-	-	-	(0.01)
(d)	Any Other									
	1. N R I	83,749	-	83,749	0.21	90,218	-	90,218	0.23	0.02
	2. Directors & Relatives	1,000	-	1,000	0.00	-	-	-	-	0.00
	3. Clearing Member	20,682	-	20,682	0.05	52,655	-	52,655	0.13	0.08
	4. Trust	127	-	127	0.00	127	-	127	0.00	0.00
	5. Hindu Undivided Family	15,69,743	-	15,69,743	3.99	15,67,654	-	15,67,654	3.98	(0.01)
	6. IEPF	54,776	-	54,776	0.14	54,776	-	54,776	0.14	0.00
	Sub-Total (B)(2)	1,07,06,649	59,009	1,07,65,658	27.34	1,06,59,304	56,154	1,07,15,458	27.21	(0.13)
	Total Public Shareholding (B)= (B) (1)+(B)(2)	1,08,79,090	59,009	1,09,38,099	27.78	1,08,81,945	56,154	1,09,38,099	27.78	0.00
	TOTAL (A)+(B)	3,93,15,670	59,009	3,93,74,679	100.00	3,93,18,525	56,154	3,93,74,679	100.00	0.00
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
	GRAND TOTAL (A)+(B)+(C)	3,93,15,670	59,009	3,93,74,679	100.00	3,93,18,525	56,154	3,93,74,679	100.00	0.00

(ii) Shareholding of Promoters

(a) Equity Shares - Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Infra Trust	0	0.00	0.00	0	0.00	0.00	0.00
2	Retail Trust	0	0.00	0.00	0	0.00	0.00	0.00
3	Lifestyle Trust	0	0.00	0.00	0	0.00	0.00	0.00
4	Consumer Goods Trust	0	0.00	0.00	0	0.00	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
5	Central Departmental Stores Private Limited	20,01,11,430	43.99	35.03	20,28,49,049	44.59	41.39	0.60
6	Future Corporate Resources Private Limited (*)	2,78,20,408	6.12	3.22	2,78,20,408	6.12	3.02	0.00
7	Ryka Commercial Ventures Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
8	Akar Estate and Finance Private Limited	1,000	0.00	0.00	1,000	0.00	0.00	0.00
9	Future Capital Investment Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
10	Surplus Finvest Private Limited	77,534	0.02	0.00	77,534	0.02	0.00	0.00
	Total	22,80,10,572	50.12	38.25	23,07,48,191	50.72	44.41	0.60

(*) In pursuance of Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with Rules made thereunder, M/s. Future Corporate Resources Limited, M/s. PIL Industries Limited, M/s. Manz Retail Private Limited, M/s. Weavette Business Ventures Limited, M/s. ESES Commercials Private Limited, M/s. Gargi Business Ventures Private Limited were amalgamated with M/s. Suhani Trading and Investment Consultants Private Limited ("the Transferee Company" / "Suhani") which was approved by the Hon'ble National Company Law Tribunal at Mumbai Bench and was made effective on 14th November, 2017. Further "Suhani" change the name from 'Suhani Trading and Investment Consultants Private Limited' to 'Future Corporate Resources Private Limited' w.e.f. 11th December 2018.

(b) Class B (Series 1) Shares - Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Infra Trust	0	0.00	0.00	0	0.00	0.00	0.00
2	Retail Trust	0	0.00	0.00	0	0.00	0.00	0.00
3	Lifestyle Trust	0	0.00	0.00	0	0.00	0.00	0.00
4	Consumer Goods Trust	0	0.00	0.00	0	0.00	0.00	0.00
5	Central Departmental Stores Private Limited	2,54,41,753	64.61	0.00	2,54,41,753	64.61	0.00	0.00
6	Future Capital Investment Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
7	Ryka Commercial Ventures Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
8	Future Corporate Resources Private Limited (*)	28,79,503	7.31	0.00	28,79,503	7.31	0.00	0.00
9	Surplus Finvest Private Limited	27,009	0.07	0.00	27,009	0.07	0.00	0.00
10	Kishore Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
11	Gopikishan Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
12	Laxminarayan Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
13	Vijay Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
14	Sunil Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
15	Anil Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
16	Rakesh Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
17	Ashni Biyani	71,147	0.18	0.00	71,147	0.18	0.00	0.00
18	Vivek Biyani	2,121	0.01	0.00	2,121	0.01	0.00	0.00
Total		2,84,36,580	72.22	0.00	2,84,36,580	72.22	0.00	0.00

(*) In pursuance of Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with Rules made thereunder, M/s. Future Corporate Resources Limited, M/s. PIL Industries Limited, M/s. Manz Retail Private Limited, M/s. Weavette Business Ventures Limited, M/s. ESES Commercials Private Limited, M/s. Gargi Business Ventures Private Limited were amalgamated with M/s. Suhani Trading and Investment Consultants Private Limited ("the Transferee Company" / "Suhani") which was approved by the Hon'ble National Company Law Tribunal at Mumbai Bench and was made effective on 14th November, 2017. Further "Suhani" change the name from 'Suhani Trading and Investment Consultants Private Limited' to 'Future Corporate Resources Private Limited' w.e.f. 11th December 2018.

(iii) Change in Promoters' Shareholding

(a) Equity Shares

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Central Departmental Stores Pvt Ltd				
	At the beginning of the year	20,01,11,430	44.06	20,01,11,430	44.06
	Market Purchase - March 06, 2020	5,91,839	0.13	20,07,03,269	44.12
	Market Purchase - March 09, 2020	14,69,589	0.32	20,21,72,858	44.44
	Market Purchase - March 13, 2020	6,76,191	0.15	20,28,49,049	44.59
	At the end of the year			20,28,49,049	44.59

(b) Class B (Series 1) Shares

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
NIL					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**(a) Equity Shares**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Bennett Coleman and Company Limited				
	At the beginning of the year	58,909,916	12.97	58,909,916	12.97
	At the end of the year			58,909,916	12.95
2	Brand Equity Treaties Limited				
	At the beginning of the year	24,999,999	5.50	24,999,999	5.50
	At the end of the year			24,999,999	5.50
3	Ratnabali Investment Private Limited				
	At the beginning of the year	12,723,534	2.80	12,723,534	2.80
	Market Purchase - April 05, 2019	75,000	0.02	12,798,534	2.82
	Market Purchase - April 12, 2019	45,000	0.01	12,843,534	2.83
	Market Sale - May 17, 2019	(600,000)	(0.13)	12,243,534	2.70
	Market Purchase - July 26, 2019	100,000	0.02	12,343,534	2.72
	At the end of the year			12,343,534	2.71
4	Ratnabali Securities Private Limited				
	At the beginning of the year	5,495,500	1.21	5,495,500	1.21
	Market Sale - May 10, 2019	(596,841)	(0.13)	4,898,659	1.08
	Market Sale - May 17, 2019	(32,283)	(0.01)	4,866,376	1.07
	Market Purchase - May 31, 2019	53,500	0.01	4,919,876	1.08
	Market Purchase - June 07, 2019	1,210,409	0.27	6,130,285	1.35
	Market Sale - June 14, 2019	(19,500)	(0.00)	6,110,785	1.35
	Market Sale - June 21, 2019	(13,505)	(0.00)	6,097,280	1.34
	Market Sale - June 29, 2019	(8,335)	(0.00)	6,088,945	1.34
	Market Sale - July 05, 2019	(5,102)	(0.00)	6,083,843	1.34
	Market Sale - July 12, 2019	(21,026)	(0.00)	6,062,817	1.33
	Market Sale - July 19, 2019	(16,000)	(0.00)	6,046,817	1.33
	Market Sale - July 26, 2019	(4,400)	(0.00)	6,042,417	1.33
	Market Sale - August 02, 2019	(4,000)	(0.00)	6,038,417	1.33
	Market Purchase - August 30, 2019	1,000	0.00	6,039,417	1.33
	Market Purchase - September 20, 2019	1,000	0.00	6,040,417	1.33
	Market Purchase - September 27, 2019	555	0.00	6,040,972	1.33
	Market Purchase - September 30, 2019	2,000	0.00	6,042,972	1.33
	Market Sale - October 11, 2019	(17,060)	(0.00)	6,025,912	1.33
	Market Sale - October 25, 2019	(807)	(0.00)	6,025,105	1.33
	Market Sale - November 01, 2019	(9,551)	(0.00)	6,015,554	1.32
	Market Sale - November 08, 2019	(35,038)	(0.01)	5,980,516	1.31
	Market Purchase - November 15, 2019	1,009,000	0.22	6,989,516	1.54
	Market Purchase - November 22, 2019	300,800	0.07	7,290,316	1.60
	Market Purchase - November 29, 2019	250,000	0.05	7,540,316	1.66
	Market Purchase - December 06, 2019	19,765	0.00	7,560,081	1.66
	Market Purchase - December 13, 2019	17,000	0.00	7,577,081	1.67
	Market Purchase - December 20, 2019	2,200	0.00	7,579,281	1.67
	Market Purchase - December 31, 2019	1,000	0.00	7,580,281	1.67
	Market Purchase - January 24, 2020	33,500	0.01	7,613,781	1.67
	Market Purchase - January 31, 2020	31,000	0.01	7,644,781	1.68

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Market Sale - February 14, 2020	(26,000)	(0.01)	7,618,781	1.67
	Market Purchase - February 21, 2020	126,894	0.03	7,745,675	1.70
	Market Purchase - February 28, 2020	71,900	0.02	7,817,575	1.72
	Market Purchase - March 06, 2020	72,949	0.02	7,890,524	1.73
	Market Purchase - March 13, 2020	111,737	0.02	8,002,261	1.76
	Market Purchase - March 20, 2020	3,782	0.00	8,006,043	1.76
	Market Purchase - March 27, 2020	45,000	0.01	8,051,043	1.77
	At the end of the year			8,051,043	1.77
5	Madan Doulatram Bahal				
	At the beginning of the year	4,495,200	0.99	4,495,200	0.99
	Market Purchase - December 06, 2019	324,682	0.07	4,819,882	1.06
	Market Sale - December 27, 2019	(300,360)	(0.07)	4,519,522	0.99
	Market Purchase - February 28, 2020	349,339	0.08	4,868,861	1.07
	At the end of the year			4,868,861	1.07
6	Mauryan First				
	At the beginning of the year	4,710,943	1.04	4,710,943	1.04
	Market Purchase - July 26, 2019	28,763	0.01	4,739,706	1.04
	Market Purchase - August 02, 2019	20,000	0.00	4,759,706	1.05
	Market Purchase - September 06, 2019	37,606	0.01	4,797,312	1.06
	At the end of the year			4,797,312	1.05
7	Life Insurance Corporation of India Limited				
	At the beginning of the year	4,970,150	1.09	4,970,150	1.09
	Market Sale - September 13, 2019	(130,184)	(0.03)	4,839,966	1.07
	Market Sale - September 20, 2019	(123,065)	(0.03)	4,716,901	1.04
	Market Sale - September 27, 2019	(35,611)	(0.01)	4,681,290	1.03
	At the end of the year			4,681,290	1.03
8	Gautam Madan Bahal				
	At the beginning of the year	3,666,551	0.81	3,666,551	0.81
	Market Purchase - April 12, 2019	97,800	0.02	3,764,351	0.83
	Market Purchase - June 29, 2019	2,921	0.00	3,767,272	0.83
	Market Purchase - July 05, 2019	150,664	0.03	3,917,936	0.86
	Market Purchase - September 27, 2019	5,626	0.00	3,923,562	0.86
	Market Sale - September 30, 2019	(3,886)	(0.00)	3,919,676	0.86
	Market Sale - October 11, 2019	(2,696)	(0.00)	3,916,980	0.86
	Market Sale - December 06, 2019	(3,916)	(0.00)	3,913,064	0.86
	Market Purchase - March 13, 2020	447,080	0.10	4,360,144	0.96
	Market Sale - March 20, 2020	(330,012)	(0.07)	4,030,132	0.89
	Market Sale - March 27, 2020	(134,419)	(0.03)	3,895,713	0.86
	At the end of the year			3,895,713	0.86
9	Vardhaman Publishers Limited				
	At the beginning of the year	3,737,500	0.82	3,737,500	0.82
	At the end of the year			3,737,500	0.82
10	Vivek Saraogi				
	At the beginning of the year	3,094,941	0.68	3,094,941	0.68
	At the end of the year			3,094,941	0.68

(b) Class B (Series 1) Shares

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Praween Agrawal				
	At the beginning of the year	-	-	-	-
	Market Purchase - March 08, 2019	1,400,000	3.56	1,400,000	3.56
	At the end of the year			1,400,000	3.56
2	Vivek Saraogi				
	At the beginning of the year	922,568	2.34	922,568	2.34
	At the end of the year			922,568	2.34
3	Sumedha Saraogi				
	At the beginning of the year	472,000	1.20	472,000	1.20
	At the end of the year			472,000	1.20
4	Purvi Pankaj Patel				
	At the beginning of the year	390,339	0.99	390,339	0.99
	At the end of the year			390,339	0.99
5	Pankaj Jayantilal Patel				
	At the beginning of the year	223,036	0.57	223,036	0.57
	Market Purchase - June 14, 2019	134,871	0.34	357,907	0.91
	At the end of the year			223,036	0.57
6	Vishal Ashwin Patel				
	At the beginning of the year	326,253	0.83	326,253	0.83
	At the end of the year			326,253	0.83
7	B Sumanth Kumar Reddy				
	At the beginning of the year	287,326	0.73	287,326	0.73
	At the end of the year			287,326	0.73
8	Prashant Jayantilal Patel				
	At the beginning of the year	284,406	0.72	284,406	0.72
	At the end of the year			284,406	0.72
9	Ratnabali Securities Private Limited				
	At the beginning of the year	-	-	-	-
	Market Purchase - April 12, 2019	173,941	0.44	173,941	0.44
	Market Sale - May 10, 2019	(13,876)	(0.04)	160,065	0.41
	Market Sale - May 31, 2019	(53,500)	(0.14)	106,565	0.27
	Market Purchase - June 07, 2019	4,000	0.01	110,565	0.28
	Market Purchase - June 14, 2019	19,500	0.05	130,065	0.33
	Market Purchase - June 21, 2019	13,505	0.03	143,570	0.36
	Market Purchase - June 29, 2019	8,335	0.02	151,905	0.39
	Market Purchase - July 05, 2019	5,154	0.01	157,059	0.40
	Market Purchase - July 12, 2019	21,026	0.05	178,085	0.45
	Market Purchase - July 19, 2019	16,000	0.04	194,085	0.49
	Market Purchase - July 26, 2019	5,067	0.01	199,152	0.51
	Market Purchase - August 02, 2019	4,598	0.01	203,750	0.52
	Market Sale - August 30, 2019	(1,000)	(0.00)	202,750	0.51
	Market Sale - September 20, 2019	(1,000)	(0.00)	201,750	0.51
	Market Sale - September 27, 2019	(555)	(0.00)	201,195	0.51
	Market Sale - September 30, 2019	(2,000)	(0.01)	199,195	0.51
	Market Purchase - October 11, 2019	17,060	0.04	216,255	0.55

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Market Purchase - October 25, 2019	707	0.00	216,962	0.55
	Market Purchase - November 01, 2019	10,689	0.03	227,651	0.58
	Market Purchase - November 08, 2019	34,000	0.09	261,651	0.66
	Market Purchase - November 15, 2019	1,000	0.00	262,651	0.67
	Market Sale - November 22, 2019	(800)	(0.00)	261,851	0.67
	Market Sale - December 06, 2019	(19,765)	(0.05)	242,086	0.61
	Market Sale - December 13, 2019	(17,000)	(0.04)	225,086	0.57
	Market Sale - December 20, 2019	(2,200)	(0.01)	222,886	0.57
	Market Sale - December 31, 2019	(1,000)	(0.00)	221,886	0.56
	Market Sale - January 24, 2020	(33,500)	(0.09)	188,386	0.48
	Market Purchase - February 14, 2020	26,000	0.07	214,386	0.54
	Market Purchase - February 21, 2020	15,823	0.04	230,209	0.58
	Market Purchase - February 28, 2020	4,200	0.01	234,409	0.60
	Market Purchase - March 06, 2020	2,000	0.01	236,409	0.60
	Market Purchase - March 13, 2020	19,781	0.05	256,190	0.65
	Market Sale - March 20, 2020	(3,783)	(0.01)	252,407	0.64
	At the end of the year			252,407	0.64
10	Damyanti Ashwin Patel				
	At the beginning of the year	251,479	0.64	251,479	0.64
	At the end of the year			251,479	0.64

v. Shareholding of Directors and Key Managerial Personnel

(a) Equity Shares

Sr. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity Shares of the Company	No. of Shares	% of total Equity Shares of the Company
1	Mr. Anil Harish¹				
	At the beginning of the year	10,000	0.00	10,000	0.00
	At the end of the year			10,000	0.00
2	Mr. Dinesh Maheswari				
	At the beginning of the year	-	0.00	-	-
	ESOP Allotment on November 05, 2019	7,13,133	0.16	7,13,133	0.16
	At the end of the year			7,13,133	0.16
3	Mr. Haresh Chawla²				
	At the beginning of the year	2,65,000	0.06	2,65,000	0.06
	At the end of the year			2,65,000	0.06

(b) Class B (Series 1) Shares

Sr. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity Shares of the Company	No. of Class B Shares (Series 1)	% of total Class B Shares (Series 1) of the Company
1	Mr. Kishore Biyani				
	At the beginning of the year	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
2	Mr. Vijay Biyani				

Sr. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity Shares of the Company	No. of Class B Shares (Series 1)	% of total Class B Shares (Series 1) of the Company
	At the beginning of the year	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
3	Mr. Anil Harish¹				
	At the beginning of the year	1,000	0.00	1,000	0.00
	At the end of the year			1,000	0.00

Note:

1. Mr. Anil Harish ceased to be Director w.e.f. August 1, 2019.
2. Mr. Haresh Chawla resigned as Director w.e.f. closing of working hours on March 31, 2020.
3. Mr. V. K Chopra, Ms. Bala C. Deshpande and Mr. Deepak Tanna does not hold any shares in the Company during the Financial Year 2019-20.

V. INDEBTNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in crore)

Particulars Secured Loans	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year April 01, 2019				
1) Principal Amount	6,434.84	-	44.30	6,479.14
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	221.65	-	0.21	221.86
Total (1+2+3)	6,656.49	-	44.51	6,701.01
Change in Indebtedness during the financial year				
Additions	973.75	497.00	400.19	1,870.94
Reduction	(2,174.78)	-	(18.28)	(2,193.06)
Net Change	(1,201.03)	497.00	381.91	-322.12
Indebtedness at the end of the financial year March 31, 2020				
1) Principal Amount	5,296.46	497.00	410.67	6,204.13
2) Interest due but not paid				
3) Interest accrued but not due	159.00	-	15.75	174.75
Total (1+2+3)	5,455.46	497.00	426.42	6,378.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:

(₹ in crore)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Vijay Biyani	Mr. Dinesh Maheshwari	
1	Gross Salary			
	(a) Salary* as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.18	1.56	3.74
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00 [#]	0.00 [#]	0.00 [#]
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil

(₹ in crore)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Vijay Biyani	Mr. Dinesh Maheshwari	
2	Stock Option	Nil	1.63 ^{\$}	1.63
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- As % of Profit			
	- Others, specify			
5	Retiral Benefits	0.26	0.19	0.45
	Total (A)	2.44	3.38	5.82
	Ceiling as per the Act	₹ 3.79 crore as per Section 198 of the Companies Act, 2013 read with Schedule V of the Act		

* The above remuneration is as per Income-Tax Act, 1961 and excludes contribution by the Company to Provident Fund and provision for special retirement benefit, etc. Further, these amounts are as paid to Managing Director, and Executive Director during the year.

Includes ₹ 39,600 towards value of perquisite for provision of car facility.

\$ In remuneration of Mr. Dinesh Maheshwari perquisite value has been added for ₹ 1.63 crore upon exercised stock option granted during the financial year 2016-17.

B. Remuneration of other Directors:

I. Independent Directors:

(₹ in crore)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. V. K. Chopra	Ms. Bala C. Deshpande	Mr. S. Doreswamy	Mr. Anil Harish	Mr. Haresh Chawla	Mr. Anandakrishnan Chandrasekaran	
Fee for attending Board / Committee Meetings	0.09	0.10	0	0.02	0.11	0.02	0.34
Commission	0.07	0.07	0.07	0.07	0	0	0.28
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (I)	0.16	0.17	0.07	0.09	0.11	0.02	0.62

II. Other Non-Executive Directors:-

(₹ in crore)

Particulars of Remuneration	Name of Non-Executive Directors	
	Mr. Kishore Biyani	Total Amount
Fee for attending Board / Committee Meetings	0.04	0.04
Commission	Nil	Nil
Others (Gross Remuneration)	Nil	Nil
Total (II)	0.04	0.04
Total (B)=(I)+(II)		0.66
Total (A)+(B)		6.47
Overall Ceiling as per the Act	₹ 7.58 crore as per Section 198 of the Companies Act, 2013 read with Schedule V of the Act	

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD :

(₹ in crore)

Sr. No.	Particulars of Remuneration	Name of KMP	
		Mr. Deepak Tanna	Total Amount
1	Gross Salary		
	(a) Salary* as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.48	0.48
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00#	0.00#
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- As % of Profit		
	- Others, specify		
5	Retiral Benefits	0.03	0.03
	Total (C)	0.51	0.51

Includes ₹ 32,400 towards value of perquisite for provision of car facility.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2020.

ANNEXURE IV

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
NIL							

Details of material contract or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2020 are as follows:

Name of the Related Parties and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in Crore)*	Amount paid as advances, if any	Date(s) of approval by the Board, if any#
Future Retail Limited ("FRL") (Related Party)	Purchase & Sale of Goods, Products & Services	N.A.	5,700	Refer below notes	March 28, 2019
	Providing of services as collection & authorised agent for Fixed Deposit Program	N.A.	10		March 28, 2019
	Purchase and Sale of Capital Goods	N.A.	10		March 28, 2019
	Acquisition of Fixed Assets	N.A.	4,000		October 12, 2019
Future Lifestyle Fashions Limited ("FLFL")	Sale, Purchase and Supply of Goods and Assets and Availing or Rendering of any Services	N.A.	900.75		March 28, 2019

Notes:

Necessary approvals of Audit Committee, Board of Directors and Shareholders have been obtained by the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : September 07, 2020

V. K. Chopra
Chairman

ANNEXURE V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Future Enterprises Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Enterprises Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's statutory registers, papers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'), soft copy of the various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2020, has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the statutory registers, papers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - applicable only to the extent of Foreign Direct Investments and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2020:-

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (vi) The management has identified and confirm the other laws as specifically applicable to the Company and the Company have proper system to comply with the provisions of the respective Acts, rules and Regulations;
 - (vii) I have also examined compliance with the applicable clauses of the following:
 - (a) The Listing agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India

During the period under review, I am of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I have not examined the Financial Statement, financial Books & related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax Act, ESIC, Provident Fund & Professional Tax, Related Party Transactions etc. For these matters, I rely on the report of statutory auditor's for Financial Statement for the year ended 31st March, 2020.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided prima facie adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/ records required by the concerned authorities and internal control of the concerned department.

I further report that during the period under review, the Company has obtained consent from the Members at the Extra-Ordinary General Meeting held on 08th November, 2019 to sell, dispose and/or transfer fixed assets pertaining to the leasing business segment of the Company in one or more tranches, to Future Retail Limited ("FRL") through direct sale or slump sale or any other mode as may be mutually acceptable to both the parties to such transaction(s), at a fair value to be arrived at based on valuation done through independent valuation expert further backed by fairness report, in one or more tranches, for the asset value of up to ₹ 4,000 crores.

I further report that during the period under review, the Company has obtained consent of its Debenture-holders at their Meeting held on 07th November, 2019, by way of a special resolutions for release of the charge on the specific assets, as well as sell/ transfer/ disposal of the specific fixed assets of the Company.

I further report that during the period under review, the promoters of the Company have created pledge on part of Equity Shares held by them in the Company. Further, pledge on some Equity Shares have also been released as per contractual terms.

I further report that during the period under review, the Company has filed Forms required to be filed within prescribed time and some with the additional fees.

I further report that, during the period under review:

(a) There were instances of:

1. Issuance of Non-Convertible Debentures;
2. Allotment of shares under Employee Stock Option Scheme;
3. Major decisions taken by the Members in pursuance to Section 180 of the Act which would have bearing on the Company's affairs;
4. Acceptance of Deposit from the Members of the Company and/or public.

(b) There were no instances of:

1. Buy-back of Securities/Preferential issue of shares;
2. Foreign Technical Collaborations;
3. Public / Rights issue of shares;
4. Merger / Reconstruction etc.;
5. Reclassification of share capital;
6. Change of name pursuant to the scheme of de-merger;

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to COVID - 19 Lockdown, I am unable to partially verify the information physically, therefore I rely on the information provided by the Company in electronic mode.

Place: Mumbai
Date: September 07, 2020

Virendra G. Bhatt
ACS No – 1157
COP No – 124

ANNEXURE VI

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:			
(i) the steps taken or impact on conservation of energy	The operations of your company are not energy intensive, however adequate measures have been taken to reduce energy consumption.		
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices / store premises to optimise the consumption of energy.		
(iii) the capital investment on energy conservation equipments;	NIL		
(B) Technology Absorption:			
(i) the efforts made towards technology absorption	N.A.		
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.		
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.		
a) the details of technology imported;			
b) the year of import;			
c) whether the technology been fully absorbed;			
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.			
(iv) the expenditure incurred on Research and Development.	N.A.		
(C) Foreign Exchange Earnings and Outgo:	(₹ in crore)		
	Particulars	2019-20	2018-19
	Total Foreign Exchange Used	153.14	286.62
	Total Foreign Exchange Earned	6.38	23.33

For and on behalf of the Board of Directors

Place : Mumbai
Date : September 07, 2020

V. K. Chopra
Chairman

ANNEXURE VII

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

- 1. A brief outline of the Company's Corporate Social Responsibility Policy ("Company's CSR Policy") including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Company's CSR Policy and projects or programs:**

The Company's CSR Policy *inter-alia* includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act").

Company's CSR Policy of the Company is available on the website of the Company at the link https://felindia.in/pdf/CSR_Policy.pdf.

The Company has deployed its CSR funds through – implementing agency, "Sone Ki Chidiya" Foundation ("SKC Foundation") as and when it became applicable.

- 2. The Composition of the Corporate Social Responsibility Committee is as follows:**

- Ms. Bala C. Deshpande – Chairperson;
- Mr. Kishore Biyani – Member;
- Mr. Vijay Biyani – Member

- 3. Average net profit of the Company for last three financial years:** The Company's average net loss for the last three financial years is ₹ 59.66 crore.

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable

- 5. Details of CSR spent during the financial year 2019-20:**

- a. Total amount to be spent for the financial year 2019-20: Nil
- b. Amount unspent, if any : Nil
- c. Manner in which amount spent during the financial year is details below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs Wise	Amount spent on the projects or Programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
Nil							

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

Not Applicable, since the Company has incurred Average Net Loss for the last three financial years.

- 7. The responsibility statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is stated below:-**

"The implementation and monitoring of the Corporate Social Responsibility Policy is in compliance with CSR objectives and policy of the Company".

For and on behalf of the Board of Directors

Place : Mumbai
Date : September 07, 2020

Bala C Deshpande
CSR Committee
Chairperson

Vijay Biyani
Managing Director

ANNEXURE VIII

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- ❖ The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the Median Remuneration of the Employees ("MRE") of the Company for the financial year 2019-20 are as under:

(₹ in crore)

Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2019-20 (1)	% increase in Remuneration in the Financial Year 2019-20 (2)	Ratio of remuneration of each Director to MRE for Financial Year 2019-20 (3 = (1) / MRE)
1. Managing Director			
Mr. Vijay Biyani	2.18	(31.54)	124.47
2. Executive Director & Chief Financial Officer			
Mr. Dinesh Maheshwari	1.56 ^{\$}	(35.73) ^{\$}	89.15
3. Company Secretary			
Mr. Deepak Tanna	0.48	(7.98)	27.50

Notes:

For the year under review, there was no change in the Sitting fees for attending meetings of the Board and/or Committee thereof to the Non-Executive / Independent Director of the Company. While calculating the above, the sitting fees paid for attending Board / Committee meetings have not been considered.

\$ Excluding perquisite value included in remuneration upon exercise stock option.

- ❖ The MRE of the Company during the year was ₹ 1,74,912 and for the previous year it was ₹ 1,59,243/-;
- ❖ There was 10 % increase in the median remuneration of employees in the financial year;
- ❖ There were 2,731 permanent employees on the rolls of Company as on March 31, 2020;
- ❖ Average percentile increase / decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 12 to 14% whereas there was around 30 to 35% decrease in the managerial remuneration for the same financial year.
- ❖ The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : September 07, 2020

V. K. Chopra
Chairman

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the Companies Act, 2013 ("**the Act**"), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**").

During the financial year under review, the Company has complied with all the applicable provisions of the Listing Regulations.

BOARD OF DIRECTORS

Code of Conduct

The Company has laid down a Code of Conduct ("**Code**") for the Board Members and Senior Management Personnel ("**Specified Persons**") of the Company. The Company has also adopted code of conduct for Independent Directors as prescribed under Schedule IV of the Act. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the Specified Persons have affirmed compliance with this Code. A declaration signed by the Chairman and Managing Director to this effect is attached at the end of this Report. This Code has also been hosted on the Company's website www.felindia.in.

Composition of the Board

The composition of the Board of Directors ("**the Board**") is in conformity with the requirement of the Act and Regulation 17 and 17A of the Listing Regulations.

In terms of the provisions of Regulation 17 of the Listing Regulations, the Board is required to have at least one third of the members of the Board as Independent Directors, if Chairman is a Non-Executive Director. Accordingly, the Company's Board as on March 31, 2020 comprises of 7 (seven) Directors out of which 2 (two) are Executive Director, 1 (one) is Non- Executive Director and 4 (four) are Independent Director which includes 1 (one) Women Independent Director. The detailed profile of the Directors is available on the Company's website

None of the Directors on the Board are serving as an Independent Director in more than 7 (seven) / 3 (three) Listed entities, as specified in Regulation 17A of the Listing Regulations. Further, the maximum tenure of Independent Directors are in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

As per Regulation 26 of Listing Regulations, none of the Directors on the Board is a Member in more than 10 (ten) Committees and/or Chairman in more than 5 (five) Committees, across all public companies in which he/she is a Director.

The information on Composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they are Directors, as on March 31, 2020 is as under:

Name of Director / Category	Directorships and Category of Directorships in other Listed Companies	No. of Directorships*		**No. of Memberships / Chairmanships of Committees in public companies	
		Public	Private / Non-profit	Memberships	Chairmanships
Mr. V. K. Chopra Chairman and Independent Director	a. Greenlam Industries Limited (Independent Director) b. Havells India Limited (Independent Director) c. Sheela Foam Limited (Independent Director) d. IIFL Facilities Services Limited (Independent Director) e. India Infoline Finance Limited (Independent Director)	9	1	9	5
Mr. Kishore Biyani Vice Chairman and Director (Promoter)	a. Future Consumer Limited (Non-Executive - Non Independent Director) b. Future Lifestyle Fashions Limited (Managing Director) c. Future Retail Limited (Chairman)	6	2	2	1
Mr. Vijay Biyani Managing Director (Promoter Group)	Nil	2	8	1	0
Mr. Dinesh Maheshwari Executive Director & CFO	Nil	4	2	3	0
Ms. Bala C. Deshpande Independent Director	a. Info Edge (India) Limited (Independent Director) b. Future Supply Chain Solutions Limited (Independent Director)	4	4	3	1
Mr. Anandkrishnan Chandrasekaran*** Independent Director	Nil	0	0	0	0
Mr. Haresh Chawla**** Independent Director					
Mr. Anil Harish***** Independent Director					

* No. of Directorships held by the Directors do not include directorships in foreign companies.

** In accordance with Regulation 26 of the Listing Regulations, Memberships / Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

*** Mr. Anandkrishnan Chandrasekaran is appointed as an Independent Director of the Company w.e.f. August 10, 2019.

**** Mr. Haresh Chawla resigned as an Independent Director of the Company w.e.f. close of business hours on March 31, 2020.

***** Mr. Anil Harish ceased to be member of the Board and Independent Director of the Company w.e.f. August 1, 2019 on completion of tenure of Independent Director.

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

We hereby confirm that there is no person appointed as an alternate to the Independent Director as restricted under Regulation 25(1) of SEBI Listing Regulations.

During FY 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of various laws applicable to the Company.

The details of Equity shares and Convertible Securities held by Directors in the Company as on March 31, 2020 are as follows:

Sr. No.	Name of the Director	No. of Shares held		
		Equity Shares	Class B (Series1) Shares	No. of Convertible Instruments held
1.	Mr. V. K. Chopra	Nil	Nil	Nil
2.	Mr. Kishore Biyani	Nil	2,121	Nil
3.	Mr. Vijay Biyani	Nil	2,121	Nil
4.	Mr. Dinesh Maheshwari	7,13,133	Nil	Nil
5.	Ms. Bala C. Deshpande	Nil	Nil	Nil
6.	Mr. Anandkrishnan Chandrasekaran*	Nil	Nil	Nil
7.	Mr. Haresh Chawla**	2,65,000	Nil	Nil
8.	Mr. Anil Harish***	10,000	1,000	Nil

* Mr. Anandkrishnan Chandrasekaran is appointed as an Independent Director of the Company w.e.f. August 10, 2019.

** Mr. Haresh Chawla resigned as an Independent Director of the Company w.e.f. close of business hours on March 31, 2020.

*** Mr. Anil Harish ceased to be Independent Director of the Company w.e.f. August 1, 2019 on completion of his tenure as an Independent Director.

Familiarisation Programme of Independent Director:

The familiarisation programme for Independent Directors of Company aims at familiarising them with the overall structure of the Company, their roles, rights, responsibilities therein, nature of the industry in which the Company operates, business model of the Company, etc., in order to provide them with better understanding of the business and operations of the Company. Details of familiarisation programme imparted to Independent Directors is available at the website of the Company. https://felindia.in/pdf/Independent_Directors_Familiarization_Program.pdf

Matrix Setting out the Skills / Expertise / Competence of the Board of Directors

The performance of the Board, Independent Directors and Committees of the Board are evaluated annually by circulating separate evaluation templates to the respective Directors facilitating them to provide their feedbacks for each of evaluation criteria. The criteria for evaluation has been determined by the Nomination and Remuneration Committee which inter-alia includes preparation and participation in the meetings, personality and conduct, quality of value added, etc. The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise, special skills.

Below are certain skills and competencies as identified by the Board which are elemental for the effective functioning of the Board and Company and which are possessed by the Board. The skills and competencies have been classified in three categories:

- **Governance:** Administrative, Business understanding, Financial Performance, Investment, Leadership, Management, Overall business experience, Planning, Policy Development, Risk & Compliance oversight, Strategic, Taxation and Vision;
- **Industry Specific:** Vendor Management, Business Development, Technology, Marketing & Communications and Operational efficacy;
- **Personal Attributes and Qualities:** Leadership, Effective Communication, Honesty, commitment, Professionalism and Independence.

Skills / Expertise / Competencies	Name of Director							
	Mr. V. K. Chopra	Mr. Kishore Biyani	Mr. Vijay Biyani	Mr. Dinesh Maheshwari	Ms. Bala C. Deshpande	Mr. Anandkrishnan Chandrasekaran	*Mr. Anil Harish	**Mr. Haresh Chawla
Leadership / Operational experience	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓

Skills / Expertise / Competencies	Name of Director							
	Mr. V. K. Chopra	Mr. Kishore Biyani	Mr. Vijay Biyani	Mr. Dinesh Maheshwari	Ms. Bala C. Deshpande	Mr. Anandakrishnan Chandrasekaran	*Mr. Anil Harish	**Mr. Haresh Chawla
Industry Experience, Research & Development and Innovation	✓	✓	✓	✓	✓	✓	-	✓
Financial	✓	✓	✓	✓	✓	-	✓	✓
Diversity	✓	✓	✓	-	-	✓	-	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Global Business	-	✓	✓	-	✓	✓	✓	✓
Legal / Regulatory	-	✓	✓	✓	✓	-	✓	✓
Sustainability	-	✓	-	-	-	✓	-	✓
Corporate Governance	-	✓	-	✓	✓	-	✓	✓
Taxation	-	-	-	✓	-	-	-	-
Technology	-	✓	-	-	-	✓	-	✓

* Mr. Anil Harish ceased to be Director w.e.f. August 1, 2019.

** Mr. Haresh Chawla resigned as Director w.e.f. closing of working hours on March 31, 2020.

Declaration of independence of independent Director:

The Company has received necessary declaration from each independent director under Section 149(7) of the Act, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

The Board confirms that in terms of provisions of Regulation 17(10) of Listing Regulations as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Independent Directors of the Company fulfil the conditions specified in Listing Regulations and are independent from the management of the Company.

Reason of Resignation of an independent Director:

During the year under the review,

Mr. Anil Harish an independent director on completion of his tenure, retired as a member of the Board effective from August 1, 2019.

Mr. Haresh Chawla an independent director, resigned as a member of the board effective close of business hours on March 31, 2020 due to personal factors. Consequently, they also ceased to be Member / Chairman of the various Committees of the Board in which they were a Member / Chairman. It has been confirmed that there were no other material reasons for their cessation / resignation.

BOARD MEETINGS AND LAST AGM DETAILS

During the year under review, 6 (Six) Board Meetings were held on May 27, 2019, June 24, 2019, August 10, 2019, October 12, 2019, November 05, 2019 and February 14, 2020.

The gap between two Board Meetings did not exceed one hundred and twenty days as prescribed in the Act and Listing Regulations. Thirty-first Annual General Meeting (AGM) of the Company was held on July 30, 2019.

The attendance of Directors at the above Board Meetings and AGM is as under:

Sr. No.	Name of the Director	No. of Board Meetings		31st AGM (July 30, 2019)
		Held	Attended	
1	Mr. V. K. Chopra	6	5	No
2	Mr. Kishore Biyani	6	5	Yes
3	Mr. Vijay Biyani	6	6	Yes
4	Mr. Dinesh Maheshwari	6	6	Yes
5	Ms. Bala C. Deshpande	6	5	No

Sr. No.	Name of the Director	No. of Board Meetings		31st AGM (July 30, 2019)
		Held	Attended	
6	Mr. Anandkrishnan Chandrasekaran*	3	3	NA
7	Mr. Haresh Chawla**	6	6	Yes
8	Mr. Anil Harish***	2	2	Yes

* Mr. Anandkrishnan Chandrasekaran is appointed as an Independent Director of the Company w.e.f. August 10, 2019.

** Mr. Haresh Chawla resigned as an Independent Director of the Company w.e.f. close of business hours on March 31, 2020.

*** Mr. Anil Harish ceased to be Independent Director of the Company w.e.f. August 1, 2019 on completion of his tenure of Independent Director.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of 3 (three) Directors all of them are Independent Directors. All the Members of the Committee possess accounting and financial management expertise.

The Company Secretary functions as Secretary to the Committee.

During the year under review, 6 (Six) meetings of the Audit Committee were held on May 27, 2019, August 10, 2019, October 12, 2019, November 05, 2019, January 27, 2020 and February 14, 2020. The gap between two Audit Committee Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

The Composition of the Audit Committee and the attendance of the Chairman / Members at the above meetings are as under:

Sr. No.	Name of Director	Designation	No. of Meetings	
			Held	Attended
1	Mr. V. K. Chopra	Independent Director / Chairman	6	6
2	Ms. Bala C. Deshpande	Independent Director / Member	6	6
3	Mr. Haresh Chawla*	Independent Director / Member	6	4

* Mr. Haresh Chawla resigned from the position of Independent Director of the Company w.e.f. close of business hours on March 31, 2020 and consequently ceased to be a Member of the Committee w.e.f. March 31, 2020

The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Terms of Reference

The terms of reference are reviewed from time to time by the Board in line with the changes introduced by regulatory authorities. The Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 177 of the Act.

Role of the Audit Committee *inter-alia* includes the following:

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;

- d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - 8) Approval or any subsequent modification of transactions of the company with related parties;
 - 9) Scrutiny of inter-corporate loans and investments;
 - 10) Valuation of undertakings or assets of the company, wherever it is necessary;
 - 11) Evaluation of internal financial controls and risk management systems;
 - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - 14) Discussion with internal auditors of any significant findings and follow up there on;
 - 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
 - 18) To review the functioning of the Whistle Blower mechanism;
 - 19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - 21) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Reviewing of the following information

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprised of 4 (four) Directors, all of them are Independent Directors. Mr. Anil Harish is the Chairman of the Committee upto August 1, 2019 and thereafter committee members consist of 3 (three) Independent Directors and 1 (one) Non-independent Director.

During the year under review, 4 (Four) meetings of the Nomination and Remuneration Committee were held on May 27, 2019, June 24, 2019, November 05, 2019 and February 14, 2020.

The Composition of the Nomination & Remuneration Committee and the attendance of the Chairman / Members at the above meetings are as under:

Sr. No.	Name of Director	Designation	No. of Meetings	
			Held	Attended
1	Mr. Anil Harish*	Independent Director / Chairman (upto August 1, 2019)	2	2
2	Mr. Haresh Chawla**	Independent Director / Chairman (Chairman from August 1, 2019)	4	4
3	Mr. V. K. Chopra	Independent Director / Member	4	3
4	Ms. Bala C. Deshpande	Independent Director / Member	4	4
5	Mr. Kishore Biyani***	Non-Independent Director / Member (from August 1, 2019)	2	2

* Mr. Anil Harish ceased to be Independent Director of the Company w.e.f. August 1, 2019 on completion of his tenure of Independent Director and consequently ceased to be a Chairman and Member of the Committee w.e.f. August 1, 2019.

** Mr. Haresh Chawla appointed as Chairman of the Committee w.e.f. August 1, 2019.

*** Mr. Kishore Biyani was inducted as a Member of the Committee w.e.f. August 1, 2019.

Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements as specified in Part D of the Schedule II of the Listing Regulations, the provisions of section 178 of the Act and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including corresponding provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014) as may be applicable.

The role of the Nomination and Remuneration Committee *inter-alia* includes the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
2. To formulate the criteria for evaluation of performance of Independent Directors and the Board;
3. To devise a policy on Board diversity;
4. To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director;
6. To recommend to the board, all remuneration, in whatever form, payable to senior management.
7. To establish and from time to time review the policy for ESOP, ESOS and recommend the grants to be made of options under ESOP / ESOS; and
8. To review Company's remuneration and human resources policy.

Performance evaluation criteria for Independent Directors

The Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, integrity, governance, responsibility towards stakeholders, etc.

REMUNERATION OF DIRECTORS

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's Remuneration Policy is designed to attract, retain and motivate employees by offering appropriate

remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The Remuneration Policy is in consonance with the existing industry practice.

Remuneration Policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to its Managing Director / Executive Director, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee ("NRC") evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides the quantum of commission or performance bonus payable to the Managing Director / Executive Director as per terms of appointment and based on the performance of the individual as well as the Company. Performance criteria for Managing Director / Executive Director, entitled for Commission or Performance Bonus are determined by NRC.

Criteria of making payments to non-executive Directors

The eligible Non-Executive Directors may be paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose and as may be approved by Board of Directors of the Company. The criteria of making payments to Non-Executive Directors cover, *inter-alia*, number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels. The Company also reimburse the out-of-pocket expenses incurred by the directors for attending the meetings.

Non-Executive Directors are paid sitting fees for attending any Meeting of the Board and Committee of the Board including meeting of Independent Directors, as decided from time to time by the Board. The Members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the Meeting of the Committee.

Remuneration to Managing Director / executive Director

Name of Managing Director / Executive Director	Salary	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and allowances [#]	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Vijay Biyani	2.18	-	0.26	0.00	2.44	September 26, 2017 to September 25, 2020	6	Nil
Mr. Dinesh Maheshwari	1.56	-	0.17	1.64 ^{\$}	3.38	May 04, 2019 to May 03, 2022	6	Yes

Includes ₹ 39,600 towards value of perquisite for provision of car facility.

\$ In remuneration of Mr. Dinesh Maheshwari perquisite value has been added for ₹ 1.63 crore upon exercised stock option granted during the financial year 2016-17.

Remuneration to Non-Executive Directors

The sitting fees and commission paid to Non-Executive Directors during the year under review are as under:

(₹ in crore)

Name of Director	Sitting Fee paid	Commission paid [#]
Mr. V. K. Chopra	0.09	0.07
Mr. Kishore Biyani	0.04	-
Ms. Bala C. Deshpande	0.10	0.07
Mr. Anandkrishnan Chandrasekaran*	0.02	-
Mr. Haresh Chawla**	0.11	-
Mr. Anil Harish***	0.02	0.07
Mr. S. Doreswamy****	-	0.07

- * Mr. Anandkrishnan Chandrasekaran is appointed as an Independent Director of the Company w.e.f. August 10, 2019.
- ** Mr. Haresh Chawla resigned as an Independent Director of the Company w.e.f. close of business hours on March 31, 2020.
- *** Mr. Anil Harish ceased to be Independent Director of the Company w.e.f. August 1, 2019 on completion of his tenure of Independent Director.
- **** Mr. S. Doreswamy has resigned from the position of Independent Director of the Company w.e.f. March 28, 2019 but name included because of payment of commission made to him.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprised of 3 (three) Directors out of which 1 (one) is Independent Director and 2 (two) are Executive Directors.

During the year under review, 1 (One) Meeting of Stakeholders' Relationship Committee were held on May 27, 2019.

The Composition of the Stakeholders' Relationship Committee and the attendance of the Chairman/Members at the above meetings are as under:

Sr. No.	Name of Director	Designation	No. of Meetings	
			Held	Attended
1	Mr. Haresh Chawla*	Independent Director / Chairman	1	1
2	Mr. Vijay Biyani	Managing Director / Member	1	1
3	Mr. Dinesh Maheshwari	Executive Director and CFO / Member	1	1

- * Mr. Haresh Chawla resigned as an Independent Director of the Company w.e.f. close of business hours on March 31, 2020.

Terms of reference of the Committee

The terms of reference of the Stakeholders' Relationship Committee *inter-alia* includes the following:

- To resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review the adherence of service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;
- The Committee is also authorised to:
 - i. Investigate any activity within its terms of reference;
 - ii. Seek any information from any employee of the Company;
 - iii. Obtain outside legal or independent professional advice. Such advisors may attend meetings, if necessary; and
 - iv. Incur such reasonable expenditure, as it deems necessary.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of 3 (Three) Directors, Mr. Kishore Biyani, Mr. Vijay Biyani and Mr. Dinesh Maheshwari. The Share Transfer Committee meets as and when required to consider the transfer proposals and attend to Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares.

Investors' Grievance Redressal

During the year under review, 3 complaints were received from the Investors and all of them were attended to and resolved promptly. As on March 31, 2020 there was no complaint pending from our end.

Compliance Officer

Mr. Deepak Tanna, Company Secretary of the Company is the Compliance Officer of the Company.

Share Transfer System

The Equity and Class B (Series 1) shares of the Company are listed on both the Stock Exchange i.e. BSE Limited and National Stock Exchange of India Limited and are available for trading in dematerialised mode only. Shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of the documents provided the documents are valid and complete in all respects. With a view to expedite the process of such transfers, the transfer related matters are delegated to Stakeholders Relationship Committee of the Company.

The Shareholders are requested to take note that pursuant to the respective notification issued by Ministry of Corporate Affairs, BSE Limited and National Stock Exchange of India Limited, transfer of shares held in physical mode is not permissible with effect from April 01, 2019. In view of this, investors are advised and recommended to dematerialise the security of the Company held by them at earliest to avoid any delay for transfer.

Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons

The Company's Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons as adopted by the Company, *inter-alia*, prohibits dealing in the securities of the Company by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. This Code has been revised in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Board has also laid down the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ("code of Fair Disclosures") in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Code of Fair Disclosures. The Code of Fair Disclosure is hosted on Company's website at the weblink: https://felindia.in/pdf/UPSI_Code.pdf

VOTING BY SHAREHOLDERS

The Company provides following facilities to Shareholders in order to enable them to exercise their voting rights on all the resolutions which are placed and proposed in the general meetings:

e-Voting: In compliance with the provisions of the Act and Listing Regulations, the Company provides to its Shareholders a facility to exercise their vote on all the resolution(s) proposed to them through electronic means. The Shareholders who are not able to attend general meeting(s) of the Company may use this facility for casting their votes. However, once the votes cast through electronic means, no change shall be allowed to be made in such votes. A notice of annual general meeting contains the detailed procedure for Shareholders to exercise their voting rights through the electronic means.

Voting at general meeting: Shareholders may cast their votes at any general meeting of the Company through a polling paper to be provided by the Company at such meeting if they have not exercised their voting rights through e-voting. Voting on any resolution more than once is not permitted. In case shareholders vote by both the means i.e. e-voting as well as through polling paper at the general meeting, then votes cast through remote e-voting will be considered. Further, any shareholder who has exercised his vote through e-voting is also entitled to attend the relevant general meeting but shall not be entitled to vote therein.

Voting Rights: As all resolution would be voted through electronic means or by Polling Papers at the Meeting by the Shareholders who have not exercised their vote through electronic means. In voting by electronic means or by Polling Papers as the case may be, each Class B (Series 1) Shareholder shall be entitled to three votes for every four Class B (Series 1) Shares held and there shall be no vote entitlement for less than 4 Class B (Series 1) Shares held and any fractional voting right entitlement arising out of Class B (Series 1) Shares held in excess of multiple of 4 ignored for voting right entitlement and each Equity shareholder shall be entitled to one vote for every equity shares.

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on May 27, 2019 and the attendance of Independent Directors at the above Meeting is as under:

Name of Director	No. of Meetings	
	Held	Attended
Mr. V. K. Chopra	1	1
Ms. Bala C. Deshpande	1	1

Name of Director	No. of Meetings	
	Held	Attended
Mr. Haresh Chawla*	1	1
Mr. Anil Harish**	1	0
Mr. Anandakrishnan Chandrasekaran***	NA	NA

* Mr. Haresh Chawla resigned as an Independent Director of the Company w.e.f. close of business hours on March 31, 2020.

** Mr. Anil Harish ceased to be Independent Director of the Company w.e.f. August 1, 2019 on completion of his tenure of Independent Director.

*** Mr. Anandakrishnan Chandrasekaran is appointed as an Independent Director of the Company w.e.f. August 10, 2019.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee presently comprises of Ms. Bala Deshpande, Independent Director Mr. Kishore Biyani, Non-Executive Director and Mr. Vijay Biyani, Managing Director of the Company. During the year under review, one meeting of the Committee was held on May 27, 2019 and the attendance of members of Committee at the above Meeting is as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Ms. Bala C. Deshpande	Independent Director / Chairperson	1	1
Mr. Kishore Biyani	Non-Executive Director	1	0
Mr. Vijay Biyani	Managing Director	1	1

The Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which *inter-alia* includes:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is appended to the Director's Report. The Company carries out its CSR activities through 'Sone Ki Chidiya' foundation. The Policy adopted by the Company is available on the website of the Company at a weblink: https://felindia.in/pdf/CSR_Policy.pdf

COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Non-executive Director, Mr. Vijay Biyani, Managing Director and Mr. Dinesh Maheshwari, Executive Director and Chief Financial Officer of the Company. The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company. 14 (Fourteen) meetings of the Committee were held during the financial year 2019-20.

RISK MANAGEMENT COMMITTEE

During the year under review the provision relating to the Risk Management Committee under Regulation 21 of Listing Regulations was not applicable to our Company. However, for the purpose of better governance, the Company has constituted aforesaid Committee.

The Risk Management Committee comprises of Mr. Kishore Biyani, Non-executive Director, Mr. Vijay Biyani, Managing Director and Mr. Dinesh Maheshwari, Executive Director and Chief Financial Officer of the Company. The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which *inter-alia* includes implementing and monitoring of risk management plan and policy of the Company and specifically cover matters related to cyber security.

RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company.

The Audit Committee / Board of Directors periodically review the risk assessment and minimisation procedures and ensures that executive management controls risk through means of properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis forming part of this Annual Report.

GENERAL BODY MEETINGS

Annual General Meeting

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

Year	No. of AGM	Day, Date & Time of AGM	Venue
2018-19	31	Tuesday, July 30, 2019 at 05:30 PM	Rangaswar, Fourth Floor, Y.B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021
2017-18	30	Wednesday, August 29, 2018 at 04:00 PM	
2016-17	29	Tuesday, August 29, 2017 at 02:30 PM	

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

AGM No.	AGM date	Special Resolutions Passed
31 st	July 30, 2019	<ul style="list-style-type: none"> • Approval for payment of remuneration to Mr. Vijay Biyani, Managing Director of the Company; • Re-appointment of Mr. V. K. Chopra (DIN: 02103940) as an Independent Director of the Company; • Re-appointment of Ms. Bala C. Deshpande (DIN: 00020130) as an Independent Director of the Company; • Re-appointment of Mr. Dinesh Maheshwari as Executive Director & Chief Financial Officer of the Company and payment of remuneration thereof; • Issue of Securities on Private Placement basis; • Approval of Future Enterprises Limited Employee Stock Option Plan, 2019 and Grant of Employee Stock Options/Restricted Stock Units to the employees of the Company thereunder; • Grant of Employee Stock Options/Restricted Stock Units to the employee of the Subsidiary Company(ies) of the Company under Future Enterprises Limited Employee Stock Option Plan, 2019; • Grant of Employee Stock Options/Restricted Stock Units to the Employees of Company and that of the Subsidiary Company(ies) by way of secondary acquisition under Future Enterprises Limited Employee Stock Option Plan, 2019; • Approval of Trust Route for implementations of Future Enterprises Limited Employee Stock Option Plan, 2019; • Provision of money by the Company for purchase of its own shares by the trust/trustees for the benefit of employees under Future Enterprises Limited Employee Stock Option Plan, 2019
30 th	August 29, 2018	<ul style="list-style-type: none"> • Nil
29 th	August 29, 2017	<ul style="list-style-type: none"> • Approval of revision in remuneration to Mr. Vijay Biyani as Managing Director of the Company; • Re-appointment and payment of Mr. Vijay Biyani as Managing Director of the Company.

Extraordinary General Meeting

During the year under review, 1 (One) Extraordinary General Meeting ("EGM") of the Members of the Company was held and the details are as follows.

Day, Date & Time of AGM	Venue	Special Resolutions Passed
Friday, November 08, 2019 at 03:00 PM	Rangaswar, Fourth Floor, Y.B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021	Approval to Sell /transfer the Assets of the Company to Future Retail Limited

Postal Ballot

During the year under review, the Company had not obtained any approval from its Members through Postal Ballots as per provisions of section 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) ("the Rules").

MEANS OF COMMUNICATION

The Company regularly informs its unaudited as well as audited Financial Results to the Stock Exchanges, as soon as these are taken on record / approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. "The Free Press Journal"- (English Daily) and "Nav Sakthi" (Marathi Newspaper). The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.felindia.in. The Company's presentations to institutional investors and analysts, if made, are put up on the website of the Company.

The Company sends Annual Report, Notices related to General Meetings and Postal Ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and in hard copies to those shareholders whose e-mail ids are not registered.

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the 32nd Annual General Meeting

Wednesday, on December 30, 2020 at 10:00 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Facility.

Financial Year

The financial year covers the period from April 1 of every year to March 31 of the next year.

Financial Reporting for

Quarter	Release Date (tentative & subject to change)
1st Quarter ending June, 30	Second week of September, 2020
2nd Quarter/Half-year ending September, 30	Second week of November, 2020
3rd Quarter ending December, 31	Second week of February, 2021
4th Quarter/Year ending March, 31	Fourth week of May, 2021

Note: The above dates are indicative.

Dividend

During the year under review, the Board of Directors of the Company has not recommended any dividend for the year ended March 31, 2020.

Registered Office

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

Listing on Stock Exchanges

Equity Shares and Class B (Series 1) Shares.

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

BSE Limited

P. J. Towers, Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

Debt Securities

Non-convertible Debentures Series (XIV A) & (XIV B), (XIV D) & (XIV E), (XV A) to (XV H), (XVI A) to (XVI F), (XVII A) to (XVII E), (XVIII A) to (XVIII C), (XIX A) & (XIX B), (XX A) to (XX C), (XXII A) & (XXII B), (XXIII), (XXIV A) & (XXIV B), (XXV A) & (XXV B) and (XXVI A) & (XXVI B) of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

Listing Fees

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

Debenture Trustees

For Non-convertible Debentures Series (XV A) to (XV H), (XVII A) to (XVII E), (XVIII A) to (XVIII C) and (XX A) to (XX C).

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
29 Senapati Bapat Marg,
Dadar West, Mumbai – 400 028.
Tel No.: +91 22 6230 0607, Fax No.: +91 22 6230 0451
Website: www.axistrustee.com

For Non-convertible Debentures Series (XIV A) & (XIV B), (XIV D) & (XIV E), (XVI A) to (XVI F), (XIX A) & (XIX B), (XXII A) & (XXII B), (XXIII), (XXIV A) & (XXIV B), (XXV A) & (XXV B) and (XXVI A) & (XXVI B)

Centbank Financial Services Limited
Central Bank of India - MMO Building,
3rd Floor, 55, M.G. Road, Fort
Mumbai 400 001
Tel No.: +91 22 2261 6217, Fax No.: +91 22 2261 6208
Website : www.cfsl.in

Stock Code

Shares	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE623B01027	523574	FEL
Class B (Series 1) Shares	IN9623B01058	570002	FELDVR
10.25% Secured Non-Convertible Debentures (Series XIV A)	INE623B07339	954328	-
10.25% Secured Non-Convertible Debentures (Series XIV B)	INE623B07347	954330	-
10.25% Secured Non-Convertible Debentures (Series XIV D)	INE623B07362	954340	-
10.25% Secured Non-Convertible Debentures (Series XIV E)	INE623B07370	954343	-
9.75% Secured Non-Convertible Debentures (Series XV A)	INE623B07404	955100	-
9.80% Secured Non-Convertible Debentures (Series XV B)	INE623B07412	955101	-
9.75% Secured Non-Convertible Debentures (Series XV C)	INE623B07420	955140	-
9.80% Secured Non-Convertible Debentures (Series XV D)	INE623B07438	955141	-
9.75% Secured Non-Convertible Debentures (Series XV E)	INE623B07446	955371	-
9.80% Secured Non-Convertible Debentures (Series XV F)	INE623B07453	955373	-
9.50% Secured Non-Convertible Debentures (Series XV G)	INE623B07461	955454	-
9.55% Secured Non-Convertible Debentures (Series XV H)	INE623B07479	955456	-
9.60% Secured Non-Convertible Debentures (Series XVI A)	INE623B07487	955749	-
9.60% Secured Non-Convertible Debentures (Series XVI B)	INE623B07495	955750	-
9.60% Secured Non-Convertible Debentures (Series XVI C)	INE623B07503	955957	-
9.60% Secured Non-Convertible Debentures (Series XVI D)	INE623B07511	955958	-
9.60% Secured Non-Convertible Debentures (Series XVI E)	INE623B07529	956012	-
9.60% Secured Non-Convertible Debentures (Series XVI F)	INE623B07537	956013	-
9.28% Secured Non-Convertible Debentures (Series XVII A)	INE623B07545	956243	-
9.17% Secured Non-Convertible Debentures (Series XVII B)	INE623B07552	956268	-
9.28% Secured Non-Convertible Debentures (Series XVII C)	INE623B07560	956269	-
9.17% Secured Non-Convertible Debentures (Series XVII D)	INE623B07578	956310	-
9.28% Secured Non-Convertible Debentures (Series XVII E)	INE623B07586	956311	-
8.80% Secured Non-Convertible Debentures (Series XVIII A)	INE623B07594	956954	-

Shares	ISIN No.	Stock Code	
		BSE	NSE
8.91% Secured Non-Convertible Debentures (Series XVIII B)	INE623B07602	956955	-
8.91% Secured Non-Convertible Debentures (Series XVIII C)	INE623B07610	957077	-
9.25% Secured Non-Convertible Debentures (Series XIX A)	INE623B07628	957263	-
9.25% Secured Non-Convertible Debentures (Series XIX B)	INE623B07636	957264	-
9.40% Secured Non-Convertible Debentures (Series XX A)	INE623B07644	957711	-
9.50% Secured Non-Convertible Debentures (Series XX B)	INE623B07651	957712	-
9.50% Secured Non-Convertible Debentures (Series XX C)	INE623B07669	957713	-
9.75% Secured Non-Convertible Debentures (Series XXII A)	INE623B07685	957875	-
9.75% Secured Non-Convertible Debentures (Series XXII B)	INE623B07693	957876	-
10.00% Secured Non-Convertible Debentures (Series XXIII)	INE623B07701	957889	-
10.15% Secured Non-Convertible Debentures (Series XXIV A)	INE623B07719	958303	-
10.15% Secured Non-Convertible Debentures (Series XXIV B)	INE623B07727	958304	-
10.50% Secured Non-Convertible Debentures (Series XXV A)	INE623B07735	958501	-
10.60% Secured Non-Convertible Debentures (Series XXV B)	INE623B07743	958502	-
10.15% Secured Non-Convertible Debentures (Series XXVI A)	INE623B07750	958841	-
10.15% Secured Non-Convertible Debentures (Series XXVI B)	INE623B07768	958842	-

Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs, is L52399MH1987PLC044954.

Stock Performance

The performance of the Equity Shares of the company at the Stock Exchanges during the year under review is as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April - 2019	39.35	33.15	20,84,480	39.45	32.95	67,02,003
May - 2019	36.90	29.00	27,47,736	37.00	29.75	1,35,18,289
June - 2019	37.00	32.80	5,86,088	36.15	32.80	41,04,785
July - 2019	36.00	23.25	9,74,353	36.00	23.05	58,01,517
August - 2019	30.50	21.50	7,83,700	30.55	21.15	43,93,225
September - 2019	25.90	20.20	5,75,226	26.00	20.15	48,49,920
October - 2019	26.45	18.55	6,60,333	26.65	18.40	43,88,352
November - 2019	29.55	21.65	8,31,869	29.50	21.50	84,92,125
December - 2019	27.75	21.00	3,79,979	27.65	20.90	48,21,910
January - 2020	26.80	21.50	8,43,726	27.00	21.35	65,35,455
February - 2020	24.80	18.15	10,62,809	25.00	18.15	43,82,168
March - 2020	26.00	8.60	18,29,278	25.00	8.55	1,21,24,090

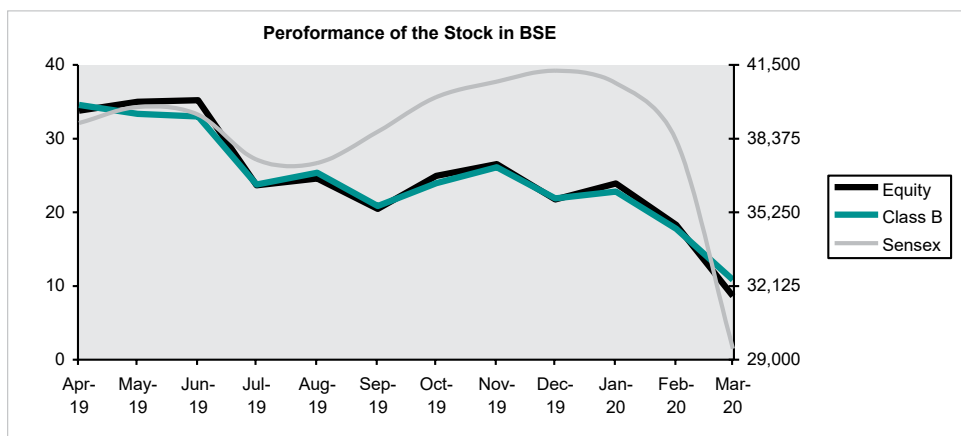
The performance of the Class B (Series 1) Shares of the company at the Stock Exchanges during the year under review is as follows:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April - 2019	37.95	33.00	5,158	37.50	32.20	79,495
May - 2019	37.05	28.10	35,912	37.45	28.80	3,96,766
June - 2019	35.80	30.10	25,809	37.60	30.20	1,76,522
July - 2019	36.95	21.55	20,736	34.35	21.65	2,52,686

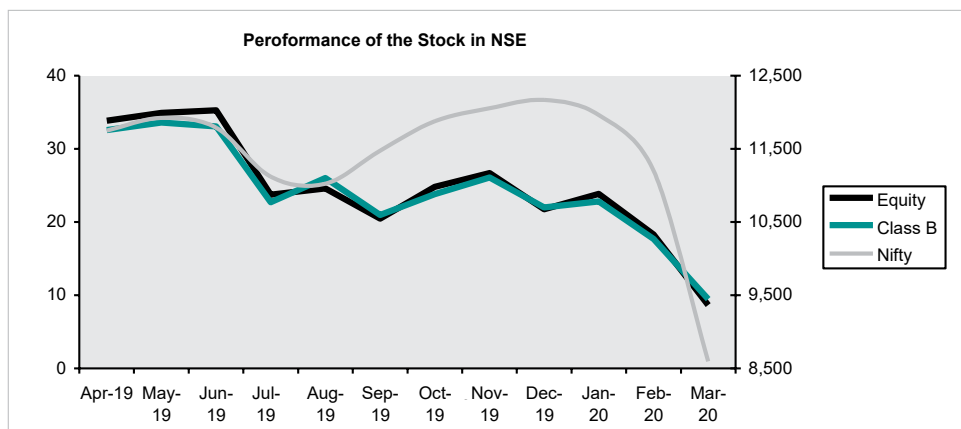
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
August - 2019	29.00	21.55	27,521	29.70	20.50	1,73,161
September - 2019	25.35	20.40	17,387	27.00	20.10	87,447
October - 2019	25.50	18.25	19,671	25.00	17.60	2,11,715
November - 2019	29.20	20.60	54,817	27.00	20.40	4,17,356
December - 2019	30.95	20.55	30,565	27.90	19.45	2,88,867
January - 2020	27.00	20.70	37,880	27.50	20.45	4,26,037
February - 2020	23.45	17.50	18,274	24.75	16.75	2,60,886
March - 2020	23.50	10.85	35,871	24.80	9.10	5,01,041

[Source: This information is compiled from the data available from the websites of BSE and NSE]

The performance comparison is based on the closing price / Sensex on the last trading day of the month.



The performance comparison is based on the closing price / CNX Nifty on the last trading day of the month.



Dematerialisation of shares

99.90% of the Equity Shares and 99.86% of Class B (Series 1) Shares of the Company have been dematerialised as on March 31, 2020. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares and Class B (Series 1) Shares as on March 31, 2020 is as under:

Particulars	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
National Securities Depository Limited	38,32,08,390	84.24%	3,36,56,034	85.48%
Central Depository Services (India) Limited	7,12,57,383	15.66%	56,62,491	14.38%
Total Dematerialised	45,44,65,773	99.90%	3,93,18,525	99.86%
Physical	4,64,628	0.10%	56,154	0.14%
Total	45,49,30,401	100.00%	3,93,74,679	100.00%

Distribution of Shareholding of Equity and Class B (Series 1) Shares as on March 31, 2020

Equity Shares

No. of Shares	No. of Shareholders	%	No. of Shares for the Range	%
1 to 500	39,772	77.9140	55,60,966	1.2224
501 to 1000	5,169	10.1262	42,36,636	0.9313
1001 to 5000	4,476	8.7686	1,05,02,743	2.3086
5001 to 10000	763	1.4947	57,50,116	1.2640
10001 to 50000	616	1.2068	1,32,56,312	2.9139
50001 to 100000	104	0.2037	76,45,424	1.6806
100001 & above	146	0.2860	40,79,78,204	89.6793
Total	51,046	100.0000	45,49,30,401	100.0000

Class B (Series 1) Shares

No. of Shares	No. of Shareholders	%	No. of Shares	%
1 to 500	12,770	92.1223	7,59,418	1.9287
501 to 1000	514	3.7080	4,21,041	1.0693
1001 to 5000	429	3.0948	9,42,234	2.3930
5001 to 10000	60	0.4328	4,52,928	1.1503
10001 to 50000	56	0.4040	13,80,437	3.5059
50001 to 100000	10	0.0721	7,36,116	1.8695
100001 & above	23	0.1659	3,46,82,505	88.0833
Total	13,862	100.0000	3,93,74,679	100.0000

Categories of Shareholders as on March 31, 2020

Categories	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters and Promoter Group	23,07,48,191	50.72	2,84,36,580	72.22
Mutual Funds	47,97,812	1.05	75,050	0.19
Banks, Financial Institutions	63,16,021	1.39	97,191	0.25
Venture Capital Funds	0	0.00	0	0.00
Insurance Companies	26,16,004	0.58	400	0.00
Foreign Portfolio Investor	68,61,143	1.51	50,000	0.13
Non-Resident Indians	19,48,738	0.43	90,218	0.23
Bodies Corporate	12,86,30,585	28.27	7,86,085	2.00
NBFC registered with RBI	8,54,418	0.19	0	0.00
Indian Public (Individual)	6,58,38,364	14.47	81,63,943	20.73
Directors & their Relatives	9,78,133	0.22	0	0.00

Categories	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Clearing Members	4,31,084	0.09	52,655	0.13
Trust	555	0.00	127	0.00
Hindu Undivided Family	43,59,283	0.96	15,67,654	3.98
Foreign Nationals	0	0.00	0	0.00
Investor Education and Protection Fund	5,49,800	0.12	54,776	0.14
Total	45,49,30,401	100.00	3,93,74,679	100.00

Outstanding GDR /ADR /Warrants or any convertible instruments, conversion date and impact on equity.

The Company has not issued and GDR / ADR / Warrants during the year under review.

Plant Locations

- G-6, MIDC, Tarapur, Dist. Palghar.
- No. 4, Puttappa Industrial Estate, Mahadevpura, Near Hindustan Petroleum, Bengaluru 560 048

Address for Correspondence:

Investor Correspondence for securities physical form Registrar and Share Transfer Agents:

Link Intime India Private Limited
C-101, Embassy 247, L B S. Marg, Vikhroli (West),
Mumbai 400 083
Telephone No. : +91 22 4918 6270
Fax No. : +91 22 4918 6060
email : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

For securities held in Demat Form:

Investors' concerned Depository Participant(s) and / or Link Intime India Private Limited.

For any query on the Annual Report:

Mr. Deepak Tanna, Company Secretary
Future Enterprises Limited
Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060
Tel No: +91 22 4055 2200
Fax No: +91 22 4055 2201
Email : investorrelations@futuregroup.in
Website: www.felindia.in

List of all credit ratings obtained by the Company along with any revisions for the financial year 2019-20:

The Company has obtained rating from CARE Ratings Limited, Acuite Ratings & Research Limited, Brickwork Ratings India Private Limited and Infomerics Valuation and Rating Private Limited during the year ended March 31, 2020. Further the same had been reaffirmed / revalidated periodically during the year under review. Details of credit rating are as follows:

CARE Ratings Limited

Sr. No.	Date	Rating	Security
1	April 1, 2019	CARE AA- (Stable)	Long Term Bank Facilities (Term Loan, Fund Based)
		CARE AA- (Stable)	Non-Convertible Debenture
		CARE A1+	Short Term Bank Facilities (Term Loan and Non Fund Based)
		CARE A1+	Commercial Paper
		CARE AA- (FD) (Stable)	Fixed Deposit

CARE Ratings Limited			
Sr. No.	Date	Rating	Security
2	April 18, 2019	CARE A1+	Commercial Paper
3	May 17, 2019	CARE A1+	Commercial Paper
		CARE AA- (FD) (Stable)	Fixed Deposit
4	June 19, 2019	CARE A1+	Commercial Paper
5	July 23, 2019	CARE AA- (Negative)	Long Term Bank Facilities (Term Loan, Fund Based)
6		CARE AA- (Negative)	Non-Convertible Debenture
		CARE A1+	Short Term Bank Facilities (Term Loan and Non Fund Based)
		CARE A1+	Commercial Paper
		CARE AA- (FD) (Negative)	Fixed Deposit
7	August 28, 2019	CARE A1+	Commercial Paper
8	October 11, 2019	CARE A1+	Commercial Paper
9	October 23, 2019	CARE AA-*	Long Term Bank Facilities (Term Loan, Fund Based)
		CARE AA-*	Non-Convertible Debenture
		CARE A1+*	Short Term Bank Facilities (Term Loan and Non Fund Based)
		CARE A1+*	Commercial Paper
		CARE AA- (FD)*	Fixed Deposit
10	March 26, 2020	CARE A*	Long Term Bank Facilities (Term Loan, Fund Based)
		CARE A*	Non-Convertible Debenture
		CARE A1*	Short Term Bank Facilities (Term Loan and Non Fund Based)
		CARE A1*	Commercial Paper
		CARE A (FD)*	Fixed Deposit

Acuite Ratings & Research Limited			
1	April 1, 2019	ACUITE AA (Stable)	Non-Convertible Debenture
		ACUITE AA+ (SO) (Stable)	Non-Convertible Debenture
		ACUITE A1+	Commercial Paper
2	April 10, 2019	ACUITE A1+	Commercial Paper
3	May 20, 2019	ACUITE AA (Stable)	Non-Convertible Debenture (Proposed)
		ACUITE A1+	Commercial Paper
4	June 20, 2019	ACUITE AA (Stable)	Non-Convertible Debenture (Proposed)
5	June 21, 2019	ACUITE A1+	Commercial Paper
6	August 30, 2019	ACUITE AA (Stable)	Non-Convertible Debenture (Proposed)
7	September 24, 2019	ACUITE A1+	Commercial Paper
8	October 30, 2019	ACUITE AA+ (Negative)	Non-Convertible Debenture
		ACUITE AA (Negative)	Non-Convertible Debenture (Proposed)
		ACUITE A1+	Commercial Paper
9	December 11, 2019	ACUITE A1+	Commercial Paper
10	December 12, 2019	ACUITE AA (Negative)	Non-Convertible Debenture (Proposed)
11	January 15, 2020	ACUITE AA (Negative)	Non-Convertible Debenture (Proposed)
		ACUITE A1+	Commercial Paper
12	February 28, 2020	ACUITE AA (Negative)	Non-Convertible Debenture
		ACUITE AA+ (Negative)	Non-Convertible Debenture
		ACUITE AA (Negative)	Non-Convertible Debenture (Proposed)
		ACUITE A1+	Commercial Paper
		ACUITE Provisional AA+ (Negative)	Non-Convertible Debenture
		ACUITE AA (Negative)	Long Term (Bank Loans / Debt Instrument)
		ACUITE A1+ (Negative)	Short Term Instrument
ACUITE FAA (Negative)	Fixed Deposit		

Brickwork Ratings India Private Limited

Sr No.	Date	Rating	Security
1	April 1, 2019	BWR AA (SO) (Stable)	Non-Convertible Debenture
2	March 20, 2020	BWR AA-**	Non-Convertible Debenture

Infomerics Valuation and Rating Private Limited

1	February 24, 2020	IVR A1+	Commercial Paper
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(*) Rating as shown above are on Credit Watch with negative implications.

(**) Rating as shown above are on Credit Watch with developing implications.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies. The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

The details of foreign currency exposure are disclosed in Note No. 30 in the Notes forming part of the Financial Statements.

Transfer of Unclaimed / Unpaid Dividend amount to the Investor Education and Protection Fund (IEPF) :

Pursuant to Sections 124 and 125 of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund Rules, 2016 ("IEPF Rules"), dividend that are unpaid / unclaimed for a period of seven years from the dates it became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF").

Further, share in respect of such dividend which have not been claimed for a period of seven consecutive years are also required to be transferred to the demat account of IEPF Authority. The said requirements does not apply to shares in respect of which there is specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders of the Company, the Company send periodical reminders to the shareholders to claim their dividend in order to avoid transfer of dividend / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividend and shareholders whose shares are required to be transferred to the IEPF Authority, are uploaded on the Company's website <https://felindia.in/unclaimed-and-unpaid-dividends.aspx>

In light of the aforesaid provisions, the Company has during the year, not transferred to IEPF any unclaimed dividend or shares of the Company, in respect of which Dividend has not been claimed for seven years or more, have also been transferred to the demat account of IEPF Authority.

The members who have to claim on above dividend and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF - 5 available on the website www.iepf.gov.in and sending physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF - 5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Given below the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividend are due for transfer to IEPF:

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
31/12/2012	08/05/2013	12/05/2013	13/06/2020
31/03/2014	02/08/2014	06/08/2014	07/09/2021
31/03/2015	26/08/2015	31/08/2015	01/10/2022
31/03/2016	29/08/2016	02/09/2016	03/10/2023
31/03/2017	29/08/2017	02/09/2017	03/10/2024
31/03/2018	N.A.	N.A.	N.A.
31/03/2019	N.A.	N.A.	N.A.

Members who have so far not encashed their dividend warrants are requested to write to the Company / Registrar and Share Transfer Agent and claim the same, to avoid transfer to IEPF.

Unclaimed Shares

None of the equity shares of the Company are lying in the demat suspense account or unclaimed suspense account so the requirement to disclose the details of such shares pursuant to Regulation 34(3) and Schedule V Part F of Listing Regulations doesn't arise.

DISCLOSURES

Related Party Transactions

All Related Party Transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into between the Company and related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are presented in Note No. 34 in Notes forming part of the financial statements for the year ended March 31, 2020. Policy on dealing with related party transactions is available on the website of the Company at the link https://felindia.in/pdf/Related_Party_Transaction_Policy.pdf

Details of utilisation of funds raised through preferential allotment or qualified institutions placement

During the year under review, the Company has not raised funds through preferential allotment or qualified institutions placement so the requirement of mentioning utilization of funds as per Regulation 32(7A) of Listing Regulations does not arise.

Recommendations of Committee to the Board:

During the year under review, there was no such instance wherein any recommendations from the Committees of the Board were not accepted by the Board of Directors of the Company.

Total Fees paid to Statutory Auditor for all services rendered by them:

(₹in crores)

Particulars	Amount
Statutory Audit Fees	0.28
Other Expenses	0.04
Total	0.32

Complaint under Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013

Sr. No.	Number of Complaints filed during the financial year	Number of Complaints disposed of during the financial year	Number of Complaints pending as on end of the financial year
NIL			

Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards in the preparation of its Financial Statements.

Management

A Management Discussion and Analysis ("MDA") forms part of the Annual Report.

All members of the Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2020.

Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of Listing Regulations, the Company has received certificate from Mr. Virendra Bhatt, Practicing Company Secretary, Secretarial Auditor of the Company certifying that none of the Directors on the Board of the Company have been disqualified from being appointed or continued as Directors of the Companies by the Securities and Exchange Board of India and / or Ministry of Corporate Affairs or any such statutory authority.

Subsidiary Companies

The Company does not have any material un-listed Indian subsidiary company as on March 31, 2020. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link https://felindia.in/pdf/Policy_For_Material_Subsiary.pdf

Details of Non-Compliance

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter relating to the capital markets.

However, post March 31, 2020 and due to arisen of Covid-19 pandemic and continued lockdown, there was delay in declaring the financial results for the quarter and year ended March 31, 2020 within the stipulated time. The result for the quarter and year ended March 31, 2020 was declared on September 07, 2020 and the accordingly the Company has paid applicable fine to BSE and NSE and intimated the same as per required process.

Establishment of Whistle Blower Policy/Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy *inter-alia* provides a direct access to a Whistle Blower to the Chairman of the Audit Committee. This policy is available on the website of the Company at the link: https://felindia.in/pdf/Vigil_Mechanism.pdf

Internet Access: www.felindia.in

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

Compliance with mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Discretionary Requirements (Part E of Schedule II of Listing Regulations):

1. **Chairman of the Board:** At present, Chairman of the Board is an Independent Director. The Company did not maintain a Chairman's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.
2. **Shareholders' Rights:** Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Hence, half yearly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report is sent to every shareholder of the Company.
3. **Modified opinion(s) in audit report:** During the year under review, the Company has received unmodified opinion for Company Standalone financial statements and modified audit opinion on the Company's Consolidated financial statements.
4. **Reporting of Internal Auditor:** Internal Auditors are invited to the meetings of Audit Committee to make presentation directly to the Committee on their observations during the course of their Internal Audit.

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members of
Future Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Future Enterprises Limited ('the Company') for the financial year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

for DMKH & Co.
Chartered Accountants
FRN: 116886W

Sikha Kabra
Partner

Membership No. 179437
UDIN: 20179437AAAAAG4649

Place : Mumbai
Date : September 07, 2020

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,
The Members of
Future Enterprises Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed their compliances with the Code of Conduct of Board of Directors and senior management for the year ended March 31, 2020.

For Future Enterprises Limited

Place : Mumbai
Date : September 07, 2020

Vijay Biyani
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Future Enterprises Limited
Knowledge House, Shyam Nagar,
Off. Jogeshwari – Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400060.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Future Enterprises Limited** having CIN: L52399MH1987PLC044954 and having registered office at Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs:-

Sr. No.	Name of the Director	DIN	Date of Appointment at current Designation	Original Date of Appointment
1	Kishore Laxminarayan Biyani	00005740	04/05/2016	01/06/1991
2	Vijay Laxminarayan Biyani	00005827	04/05/2016	26/09/2009
2	Bala C. Deshpande	00020130	15/11/2007	09/08/2001
4	Dinesh Ramnarayan Maheshwari	00088451	04/05/2016	04/05/2016
5	Vijay Kumar Chopra	02103940	10/11/2008	24/07/2008
6	Anandakrishnan Chandrasekaran	08535001	08/11/2019	10/08/2019
7	Haresh Chawla	0029878	30/07/2019	28/03/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: September 07, 2020

Place: Mumbai

UDIN: A001157B000672905

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124

Note:

Due to COVID - 19 and continued lockdown, we are unable to verify the information physically, therefore we rely on the information provided by the Company in electronic mode.

BUSINESS RESPONSIBILITY REPORTING

OVERVIEW

Future Enterprises Limited (referred to as “FEL” hereon) develops, owns and leases the retail infrastructure for certain retail chains of Future Group. FEL links the retail arm with its infrastructure forming the backbone for multiple retail formats. The Company also holds the Future Group’s investments in subsidiaries and joint ventures including insurance, textile manufacturing, supply chain and logistics. While Future Supply Chains manages the logistics- from warehousing, storage to distribution of raw materials and products, Future Generali- a JV with the globally known Generali Group, offers financial security solutions like savings, insurance and policies to its customers.

The Directors of FEL present the Business Responsibility Report (BRR) of the Company for the financial year ended on March 31, 2020, pursuant to Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This BRR delineates FEL’s endeavours to conduct business with responsibility and accountability towards all its stakeholders in keeping with the nine principles of the Government of India’s ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’. This BRR is in line with the format proposed by Securities Exchange Board of India.

Part A: General Information about the Company

Sl. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52399MH1987PLC044954
2	Name of the Company	Future Enterprises Limited
3	Registered address	Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060
4	Website	www.felindia.in
5	E-mail id	investorrelations@futuregroup.in
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing and Trading (NIC Code 14)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing & Trading in Readymade Garments Renting of Assets activities Investment
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	There are no International Locations where we operate
	(b) Number of National Locations	Pan India across
10	Markets served by the Company- Local/State/ National/International	Local, State and National

Part B: Financial Details of the Company

Sl.No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 98.86 Crore
2	Total Turnover (INR)	₹ 4,085.20 (standalone)
3	Total loss after taxes (INR)	₹ (288.50) Crore (standalone)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	In view of losses there is no obligation for spending on CSR activities for the year ending March 31, 2020
5	List of activities in which expenditure in 4 above has been incurred:-	NA

Part C: Other Details

Sl. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, FEL has Eight subsidiaries and two step down subsidiary as on March 31, 2020.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	FEL has positively influenced its subsidiary companies to participate and formulate their own BR initiatives and conduct their business in an ethical, transparent and accountable manner.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Business Responsibility policies are applicable to the management and all employees of FEL, it encourages adoption of BR initiatives by its Business Partners. Based on engagement with its suppliers and distributors on BR issues, currently less than 30% of other entities participate in the BR initiatives of the Company

Part D: BR Information

1. Details of Director / Directors responsible for BR:

1.1 Details of the Director and BR head responsible for implementation of the BR policy / policies (DIN, Name, Designation):

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	00088451
2	Name	Mr. Dinesh Maheshwari
3	Designation	Executive Director & Chief Financial Officer
4	Telephone number	022-40552200
5	e-mail id	Dinesh.maheshwari@futuregroup.in

2. Principle-wise (as per NVGs) BR Policy / policies (Replies in Y - Yes / N - No):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

BR Policies and coverage of NVG Nine principles

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Yes, the policies have been approved by the Board and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes, the Company's officials/respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	Link of the website http://felindia.in/investors/Policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all the internal and external stakeholders								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required.								

If answer to S. No. 1 above against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once in a year.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company is publishing the information on BR in the Annual Report for the financial year 2019-20, which is also available on the website of the Company. https://felindia.in/Policies.html

Part E: Principle Wise Performance

Principle 1: Ethics, Transparency & Accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability

FEL stands on the foundation of integrity and stewardship, it conducts its business and affairs in full compliance with applicable laws, rules and regulations in letter and spirit. FEL encourages and promote such behaviour amongst its senior management, officers and employees, and with its stakeholders. The Code of Conduct delineates precisely its approach whilst dealing with its customers, partners, vendors and community:

1. Service standards for our products shall be of the highest order and no false or misleading claims shall be made whilst marketing our products or services to customers.
2. FEL values an individual and teams' contributions, it offers opportunities to share in its commercial success with equal opportunities provided to all.
3. FEL cultivates a global network of collaborative and mutually beneficial alliances and respects partners' customs and traditions, and is honest and ethical in all dealings.
4. FEL has a fair procurement process, administering tendering and contracting procedures in good faith.
5. FEL contributes to the well-being of the societies in which it operates, it maintains the highest level of integrity while respecting local laws, customs and traditions.

FEL strictly prohibits any kind of sexual harassment and has set up a committee to redress complaints with regards the same. FEL has established a vigil mechanism for FEL's employees and directors to report grievances about unethical behaviour, actual or suspected fraud or violation of the FEL's Code of Conduct or ethics policy. It promotes responsible and secure whistle blowing and adequately safeguards the whistle blower from victimisation. All individuals working in FEL must abide by the Code of Conduct. For the subsidiaries, the Code is applicable in line with the local requirements prevailing in the country of operation. FEL encourages its business partners to follow the code.

The senior managements' affirmation to the Code of Conduct is communicated to all stakeholders by Managing Director, through a declaration in the Annual Report. The duties of independent directors are well defined as per the Company Code of Conduct.

Feedback of any type is taken with utmost seriousness and the attempt is to satisfactorily close all customer feedbacks expeditiously.

Any violation / suspected violation of the code have to be promptly communicated to the compliance officer of FEL which would be taken up in the meetings of the Audit Committee / Board of Directors.

In order to adhere to each of the nine Principles as per National Voluntary Guidelines, FEL will have in place the necessary policies and processes in the next reporting period. These Guidelines have been placed before the Board and adopted on May 19, 2017.

FEL has received 3 investor complaints which have been resolved. The Company discloses all information required by the statutory law.

FEL has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. No complaints were received in 2019-20 by ICC.

The Company has formulated its own Whistle Blower Policy and there were no complaints which were received during the year 2019-20.

Principle 2: Products Contributing to Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

FEL develops, owns and leases the retail infrastructure for certain retail chains of Future Group which has helped the Future Group entities develop state of the infrastructure for smooth operations of the retail chains. FEL claims to address product stewardship with a high degree of commitment while addressing the social and environmental values of the product.

- In FELs' business of leasing of assets (computers, electronic installations, furniture and fitting, plant and equipment), it endeavours to use assets/products which are more environmental friendly and reusable.
- FEL is in the process of developing sustainable sourcing guidelines. Fabric and equipment are procured from manufacturers / producers keeping in mind quality and consistency.
- FEL has implemented projects at a number of existing and upcoming stores to move into more energy efficient and LED base lighting as well as other energy conservation devices. FEL is currently not tracking the reductions at the entity end but fittings are regularly upgraded to provide the most energy efficient equipment including lighting and energy conservation devices at retail stores.
- FEL does not undertake any process which gives rise to activity relating with recycling of products and waste. All wastes are disposed with by selling through scrap dealers.

There were no incidents of non-compliance with regulations or voluntary codes resulting in fine, penalty or notices received concerning emissions, health and safety impacts of the FEL's products in production, use or disposal.

Sustainable sourcing

FEL plans to draw up its sustainable sourcing guidelines which will identify and evaluate new suppliers in a fair manner, and a robust monitoring policy for the performance assessment on environmental and social parameters.

FEL avails services of local communities after providing them necessary training for its manufacturing of ready-made garments process.

In FEL's factory at Tarapur and Bengaluru internship programmes are organised to train local youth. This employment promotion program (EPP) is a part of the Rozgar Prothsahan project (which is a skill development project under the State Government of Maharashtra).

Product Labelling

FEL endeavours to provide customers with appropriate labelling and signages as per Indian Care Labelling System which provides information in the form of symbols so as to indicate to customers how the garment must be handled, washed or treated, The content label provides the fibre type, fibre content, country of origin and certification labelling (if applicable).

FEL discloses all information truthfully and factually as per the Code of Conduct including the risks to the individual.

Principle 3: Welfare of Employees

Businesses should promote the well-being of all employees

FEL is an “equal opportunity” organisation that prohibits discrimination or harassment based on race, colour, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability which is consistent with local legislation.

The manpower at Future Enterprises Limited as on March 31, 2020 was as under:

FEL	Total Strength	No. of female employees	% of female employees to total strength
Total	2,731	1,784	65.32%

No of employees with disabilities: 1

Employee Well-being

FEL wants to attract, develop and motivate the best people through creation of a work environment that is open, honest and unprejudiced and which encourages people to achieve their full potential. It promotes a healthy lifestyle.

FEL ensures that its policies and processes concerning labour and human rights are in line with the laws of the land, and is updated from time to time. Trainings on diversity and inclusion are conducted to enhance awareness around these issues.

FEL ensures all its employees enjoy a flexible life and are able to maintain a work life balance through:-

Provision of a flexible time window at the start of and conclusion of the core working period of 8 hours, this enables the employee to plan both his personal life and work activities.

- Provision of a flexible time window at the start of and conclusion of the core working period of 8 hours, this enables the employee to plan both his personal life and work activities.
- Provision of paternity and maternity leave as governed by Indian laws
- Insurance policies such as Medi-claim, EDLI as well as Life security plans have been implemented on a group level.
- The Future Group offices, backend offices, stores and factories are disability friendly.
- There has been an introduction of ergonomics in seating and design, space management and facility creation.

FEL takes care to ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid at any of its premises.

Employee growth, development raining and development and overall well-being –

FEL’s diverse people initiatives are aimed to attract, motivate and empower our employees in many ways. FEL recruits, employs and rewards on ability and contribution, it hence ensures continuous skill and competence upgradation by providing equal and non-discriminatory learning opportunities to all.

FEL conducts a job analysis to ensure employees are well equipped in terms of functional as well as skill based competencies required for the job. Through Individual Development Plans, customised training needs are identified in the Behavioural and Skills department and the same is imparted to all eligible employees. Some of the trainings being Design thinking, Digital Learning, dialogue design etc.

Through diverse trainings concerning overall development of the employee from the group level to customised growth plans, has helped establish a robust retention scheme is catered to. The Company has several programs designed to benefit marginalised stakeholders it includes:

- GENISIS:** FEL’s Management Trainee Program aims to develop trainees into future leaders at the Company through on-the-job training, project work and functional implementation.
- Shishya:** An initiative that provides an opportunity to develop and enhance skills and knowledge through various educational and learning programs.

- Seekho: An initiative, aimed at encouraging employees who are consistent performers to fast-track their career growth by completing their higher education (MBA) in the retail domain.
- Suprabhat: A residential program that has Processes & Games, Guided Meditation, Power Breathing Techniques, Understanding Bias Barriers & Nature of the Mind. Combined with timeless wisdom and innovative, contemporary management techniques, the program helps employees explore their inner-self in collaboration with the Art of Living Foundation.
- L.E.A.P: Our Leadership Excellence Advancement Program identifies and develops an individual's leadership potential

An Employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall well-being.

Collective Bargaining

FEL's employees do not participate in collective bargaining practices. FEL ensures all grievances of the employees are addressed through an active and functioning grievance mechanism.

Occupational Health and Safety

FEL provides a congenial environment where adequate health and safety measures are taken for the employees. Functional Heads shall ensure that due compliances to all laws and regulations pertaining to health and safety measures are undertaken on a continuous basis.

FEL believes in supporting the welfare for people who work for the organisation, visit its facilities, lives near its establishments, and is committed to fulfil its duty of care with due diligence. Following are the few initiatives taken by the Company to adhere to Principle 3:

- FEL has constituted safety committee and safety representatives for its units and offices which meets on quarterly basis. It has also defined its safety principles.
- Systems for reporting and monitoring various Safety and Environment parameters are defined and circulated. Injury incidents are being reported to the corporate safety team.
- Various guidelines are being developed for third party or contractors working on site for issues like safety management, working at height and road safety.
- Regular Evacuation Mock Drills are conducted at all units so that safety is maintained in the surroundings and observations from them are recorded.

Long Stay Recognition

Reward & Certificates are awarded annually on completion of Five year and Ten Year Service milestones.

PRINCIPLE 4: Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

FEL believes that stakeholders are partners in business and the Company engages with internal and external stakeholder groups, in order to ensure there is a dialogue created, identify and address concerns and work towards creating shared value. FEL will act as a driving force in stimulating inclusiveness as a powerful development tool with an objective to create a sustainable community while partnering with stakeholders from the vulnerable and marginalised society.

FEL focuses on three key enablers for inclusive growth: employability, innovation and entrepreneurship. While employability helps create a qualified and skilled workforce, innovation and entrepreneurship help drive growth and generate employment.

FEL has identified its stakeholders, understood their level of concern, defined purpose and the scope of engagement. They are committed to keep a healthy relation with all their stakeholders

Shareholders

FEL provides a platform for all shareholders to engage with top management during general meetings. The Company has Stakeholders' Relationship Committee which meets quarterly to review the complaints received, pending and addressed during each quarter from the investors.

Employees

FEL strives to create a positive work environment that encourages people to achieve their full potential and provides opportunities for personal growth and professional development through engagements that involve appropriate communication and consultation with employees.

Through a pro-inclusion mind-set which ensures that differently abled or minority members are not discriminated against, FEL works to engage with, motivate and address employee concerns as per guidelines thus creating happy work spaces:

- **Happiness Index Program:** A priority initiative aimed towards building a culture of employee-level conversations to achieve happiness through sensitivity and empowerment.
- **Idea Board:** Unlike a "suggestion box", the Idea Board is an open forum that offers a platform for employees to voice their.

Statutory bodies

FEL interacts with the following bodies: Factory Inspector, Government Labour Office, Employment office, PF, ESIC office, Municipal Corporation and Labour Courts, SPCB, ground water authority, excise, VAT, customs, DGFT, RBI, Banks and FI, Income Tax Dept., SEBI, BSE, NSE, MCA, Depositories.

FEL interact with these statutory bodies as required, maintains records and ensure compliances internally and externally.

Business Partners

FEL cultivates a global network of collaborative and mutually beneficial alliances. It works with partners in the creation of successful ventures and shares its values and principles in dialogue with other organisations and in considering new and existing relationships.

Suppliers/Vendors

FEL values the diversity of its vendors and works with them in innovative ways that create added value for customers and trading partners.

FEL recognises the potential to address economic inequality/disparity and accomplish other objectives contributing to inclusive growth, with the aim to foster a symbiotic relationship with entrepreneurs across communities to create increased self-employment opportunities.

Customers

FEL considers their customers as the retail brands and chains that are served directly. All interactions are limited to the retail chains. FEL endeavours to provide products, infrastructure and equipment that are technologically competitive and develop mutually beneficial relationships of an enduring nature with its customers.

A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with FEL through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and resolved. (For more details refer to P9)

Communities

FEL contributes to the well-being of the societies in which it operates through its business activities and the skills of its people. FEL works with community and other organisations to support non profit making activities that benefit wider society.

(Please refer to Principle 8 for more details)

Principle 5: Human Rights

Businesses should respect and promote human rights

FEL's human rights policy currently extends to the Group. The intent of this policy has been conveyed to all relevant stakeholders. Wherever violations are brought to the notice of the management, it makes every effort to resolve the same.

Human rights violation of any kind as articulated in the Constitution of India and the International Bill on Human Rights is not tolerated across its operations, including sexual harassment, child labour, forced labour, discrimination of any kind is brought to the notice of the management to resolve the same.

All contracts with suppliers, contractors and vendors state need to comply with labour laws, monthly pay is to be made within prescribed time limits, medical facilities to be provided, ensuring contributions including to PF, ESIC, Gratuity.

FEL has set up grievance mechanisms accessible to all stakeholders impacted by the business. FEL has received no complaints during the reporting period under review.

Principle 6: Environment

Businesses should respect, protect, and make efforts to restore the environment

FEL endeavours to establish sustainability as the core strategy and business practices. The EHS policy has been adopted by FEL and is being extended to its subsidiaries, joint ventures, vendors and suppliers. Sustainability coupled with inclusive growth will help FEL build a stronger foundation for long-term, sustainable growth.

FEL believes in caring for environment and society in which it works and recognises its responsibility towards ensuring environmental care in all its operations to provide products that make a positive impact on its intermediary consumers.

A manufacturing unit at Tarapur installed LED lights and optimised daylighting to save upon electricity consumption.

There were no incidents of non-compliance with regulations or voluntary codes resulting in fine, penalty or notices received concerning emissions, health and safety impacts of FEL's products in production, use or disposal.

There are no show cause and legal notices received during the year which are pending from the CPCB or SPCB at any of the Company's operations.

Principle 7: Policy Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

FEL contributes by participating in industry events and is a member of the Retailers Association of India (RAI). RAI is working towards development of the healthy organised retail in the Country.

FEL is committed to public good, however it has not advocated or lobbied through the above associations. The senior leadership team interacts with various professional bodies and organisations to anticipate and understand the economic scenario, industrial environment, future emission norms, government regulations and advancement of public goods and services. These inputs are used for defining future growth drivers.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

FEL has developed its Corporate Social Responsibility (CSR) policy and complies with all the requirements detailed in Section 135 of the Companies Act 2013 ("the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs ("MCA").

In view of losses, there was no statutory obligation on FEL to spent on the CSR Activities during the financial year 2019-20.

The CSR committee reviews the CSR obligations on annual basis and in the year it would be applicable would be reviewing the projects / programmes / initiatives to be considered for CSR activities.

Principle 9: Value to Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner

FEL's intent to maintain a healthy relationship with the stakeholders, the Company takes feedback from its customers – Future Retail Limited and Future Lifestyle Fashions Limited for improving the products and services provided to them.

FEL ensures that its communications do not mislead or confuse the consumers or violate any of the principles in these Guidelines.

FEL ensures display of adequate information on product label in addition to information regarding a product's environmental or social responsibility. (Please refer to Principle 2 for more details)

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

5 YEARS FINANCIAL SUMMARY

Key Highlights of Financial Position

(₹ in crore)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Share Capital	98.86	98.71	98.67	94.57	85.57
Reserves & Surplus	3,531.50	3,859.51	3,811.96	3,715.23	3,223.52
Net Worth	3,630.36	3,958.22	3,910.63	3,809.80	3,317.79
Total Borrowings	6,204.13	6,479.14	5,730.87	5,199.41	4,849.58
Capital Employed	9,834.49	10,437.36	9,641.50	9,009.21	8,167.36
Net Block	7,490.24	7,001.12	6,439.29	5,847.93	5,279.41
Investments	1,233.45	1,152.36	1,120.56	1,404.45	1,294.68
Inventory	1,202.63	1,245.33	1,087.23	873.13	859.91

Key Highlights of Financial Results

(₹ in crore)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Sales & Operating Income	4,043.15	4,565.64	4,184.80	3,782.09	8,339.56
Total Income	4,085.20	4,592.75	4,368.68	4,013.14	8,376.47
COGS	2,716.36	3,037.83	2,938.96	2,675.41	6,007.94
PBDIT	1,171.07	1,349.35	1,248.17	1,184.36	1,048.75
Interest	635.75	577.92	568.41	507.61	488.86
Depreciation	860.68	769.19	698.40	633.19	546.74
Profit Before Tax	(325.36)	2.24	(18.64)	43.56	13.15
Profit After Tax	(288.50)	24.02	(12.19)	43.56	11.83

Key Financial Ratios

(₹ in crore)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
COGS / Sales & Operating Income(%)	67.18%	66.54%	70.23%	70.74%	72.04%
Interest / Total Income (%)	15.56%	12.58%	13.01%	12.65%	5.84%
PBDIT/ Interest (Debt-Service Ratio)	1.84	2.33	2.20	2.33	2.15
PBDIT / Total Income (%)	28.67%	29.38%	28.57%	29.51%	12.52%
PBT / Total Income (%)	-7.96%	0.05%	-0.43%	1.09%	0.16%
PAT / Total Income (%)	-7.06%	0.52%	-0.28%	1.09%	0.14%
Basic EPS (₹)	(5.84)	0.48	(0.25)	0.92	0.26
Debt Equity Ratio	1.71	1.64	1.47	1.36	1.46

Note:

- Financial numbers of the year ended March 31, 2016 includes 12 months Retail Infrastructure, other operations and 7 months of Retail Business of the Company and 5 months of Retail Infrastructure operation of FRL."
- Financial numbers of the year ended March 31, 2017 onwards are prepared as per IND AS, hence not comparable with previous years.

INDEPENDENT AUDITORS' REPORT

To
The Members of
FUTURE ENTERPRISES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Future Enterprises Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to the following matters:

- i. Note no. 50 of the standalone financial statements describes management's assessment of the impact of the COVID-19 pandemic on the operations and financial results of the Company.
- ii. As stated in note no. 3 of the standalone financial statements for the year ended March 31, 2020, the company holds investment in following companies:

- a. Future E-Commerce Infrastructure Limited being ₹ 17.72 crore as Equity Shares, ₹ 48.65 crore as Non-Cumulative Compulsory Convertible Preference Shares and ₹ 0.11 crore in Non-Cumulative Compulsory Convertible Preference Shares.
- b. Futurebazaar India Limited being ₹ 19.16 crore in Equity Shares
- c. Leanbox Logistics Solutions Private Limited Being ₹ 15 crore in Equity Shares.

The management has not provided provision for diminution in value of the above long term investments totaling to ₹ 100.65 crore (Book Value) as in the opinion of the management such diminution is temporary in nature considering the intrinsic value of the assets, future prospects and claims (impact unascertainable) (read with Note no. 48 of the standalone financial statements).

- iii. In reference to deferred tax, the company has incurred loss before tax in current financial year 2019-20 amounting to ₹ 325.36 crore but have not created any deferred tax asset. The company has reversed its deferred tax liability outstanding as on March 31, 2020 amounting to ₹ 36.86 crore. The management is of the opinion that due to current business scenario there is no certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised and any gain arriving due to deferred tax will be adjusted in subsequent year.
- iv. Note no. 50 of the standalone financial statements, describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Further, due to COVID-19 related lock down restrictions, management was able to perform year end physical verification of inventory and fixed assets at certain locations subsequent to the year end. We were unable to physically observe the verification of inventory that was carried out by the management and have relied on the management's representation provided for the same.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Implementation of IND AS 116 – Lease</p> <p>Disclosure of leases requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Company has applied the Modified retrospective approach to ongoing leases as of April 1, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 5.53 crores (net of taxes) in retained earnings. As at March 31, 2020, the Company has ₹ 132.31 crores of Right of use assets and ₹ 137.84 crores of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p>Our audit procedures in respect of implementation of Ind-AS 116 included the following:</p> <ul style="list-style-type: none"> ◆ We assessed the Company’s accounting policies with respect to recognition of leases and for assessing compliance with Ind AS 116; ◆ We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116; ◆ We tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved; ◆ We assessed the underlying assumptions and estimates including the appropriateness of the discount rates; ◆ We also assessed the Company’s disclosures made in accordance with the requirements of Ind AS 116.
<p>Carrying value of trade receivables</p> <p>As at March 31, 2020, trade receivables constitutes approximately 11% of total assets of the Company. The company is required to regularly assess the recoverability of its Trade Receivables.</p> <p>Recoverability of trade receivables was significant to our audit due to the value of amounts which also represents significant portion of the Company’s working capital.</p> <p>Considering the expected credit loss involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.</p> <p>Management has made provision for expected credit loss of ₹ 4.91 crores.</p> <p>Accordingly, the recoverability of trade receivables is a key audit matter in our audit of Ind AS financial statements.</p>	<p>Our audit procedures in respect of evaluation of receivables included the following:</p> <ul style="list-style-type: none"> ◆ Tested the ageing of trade receivables and receipts subsequent to the year-end; ◆ Evaluated Management’s assessment of the current financial situation of the major entities whose balances are receivable as the year-end. ◆ Assessed the company’s expected credit loss calculations made in determining the recoverable amount. In making this assessment we evaluated the objectivity and independence of company’s personnel involved in the process. ◆ Sent and obtained confirmations for major parties possible. ◆ Assessed the adequacy of the company disclosures in relation to trade receivables included in the standalone Ind AS financial statements as per Ind AS 109.
<p>Related Party Transactions</p> <p>The Company has significant transactions with related parties which includes sale of products, services, rent, loans and advances given.</p> <p>Company’s major portion of total revenue comes from related party.</p> <p>Considering the high volume of transactions with related parties and determination of arm’s length price to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Performed test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements/contracts and recording in books of account;</p> <ul style="list-style-type: none"> ◆ Read contracts and agreements with related parties to understand the nature of the transactions; ◆ Assessed the disclosures made in the standalone Ind AS financial statements as per Ind AS 24.

Key Audit Matters	How our audit addressed the key audit matter
<p>External Confirmations</p> <p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received. The Company seeks and had sought confirmations from vendors and customers during the year.</p> <p>In such events, we auditors performed alternative audit procedures.</p> <p>This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19 vis-à-vis non-COVID-19 scenario.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> ◆ Revised assessed risk and modify our audit procedures to mitigate these risks. ◆ Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc. ◆ Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions. ◆ Performed alternative audit procedures like <ul style="list-style-type: none"> - For accounts receivable balances : scrutiny of ledger accounts and verification of subsequent receipts. - For accounts payable balances : scrutiny of ledger accounts and other documents/records, such as bills from vendors.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance Report, and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibilities for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting

principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating

the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure

A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DMKH & Co.**
Chartered Accountants
FRN : 116886W

Shikha Kabra
Partner

Place : Mumbai Membership Number: 179437
Date : September 07, 2020 UDIN: 20179437AAAAAK6107

ANNEXURE – ‘A’ to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of FUTURE ENTERPRISES LIMITED (the “Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company’s internal financial controls system over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DMKH & Co.**
Chartered Accountants
FRN : 116886W

Shikha Kabra
Partner

Place : Mumbai Membership Number: 179437
Date : September 07, 2020 UDIN: 20179437AAAAK6107

ANNEXURE – ‘A’ to the Independent Auditors’ Report

(Referred to in Paragraph 2 under the heading of “Report on other Legal and Regulatory Requirements” of our report to the members of Future Enterprise Limited of even date)

Report on the Companies (Auditor’s Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 (“the Act”) of Future Enterprises Limited (“the Company”):

- i. In respect of company’s property, plant and equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - b. All property, plant and equipment have not been physically verified by the management as on March 31, 2020 due to the nationwide lockdown implemented on account of COVID pandemic but the company has been verifying the same on regular interval of time which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. As explained to us, the Management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the procedure 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.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied by the company.
- v. The Company has accepted deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as

amended). Accordingly, the provisions of clause 3(v) of the Order have been complied.

- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii. According to the information and explanation given to us, in respect of statutory dues:
 - a. The Company has been generally regular during the year, in depositing undisputed statutory dues, including provident fund, income-tax, employees’ state insurance, goods and service tax, cess and other statutory dues applicable to it to the appropriate authorities. The provisions relating to duty of excise are not applicable to the Company.
 - b. There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and service tax, cess and other statutory dues outstanding, at the year end, for a period of more than six months from the date they became payable.
 - c. Details of dues of income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, and cess which have not been deposited as on March 31, 2020 on account of disputes, are given below:

Name of Statute	Nature of Dues	Amount* (in ₹ crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	3.10	A.Y. 2014-15	Commissioner of Income Tax Appeal
The West Bengal Tax on Entry of Goods into Local Areas Act 2012	Entry Tax	1.75	F.Y. 2016-17 & 2017-18	Calcutta High Court
Customs Act, 1962	Custom Duty*	2.18	FY 2017-18	Commissioner of Custom (Preventive), Kolkata

* Net of amounts paid.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank or dues to debenture holders. There are no dues payable to any financial institution and government.

- ix. In our opinion and according to the information and explanation given by the management, we are of the opinion that money raised by Company by way of term loan has been applied for the purpose for which they were raised. The Company did not raise any money by way of Initial Public offer or further public offer.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **DMKH & Co.**
Chartered Accountants
FRN : 116886W

Shikha Kabra
Partner

Place : Mumbai Membership Number: 179437
Date : September 07, 2020 UDIN: 20179437AAAAAK6107

BALANCE SHEET AS AT MARCH 31, 2020

		(₹ in crore)	
	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	2	6,769.45	6,786.77
Capital Work-in-Progress	2	624.17	521.84
Intangible Assets	2	720.79	214.35
Right to Use of Assets	38	1.68	-
Financial Assets			
Investments	3	1,233.45	1,152.36
Net Investment on Sublease		44.84	-
Loans	4	333.20	178.05
Other Financial Assets	5	0.72	0.57
Other Non-Current Assets	6	350.31	456.34
Total Non-Current Assets		10,078.61	9,310.28
2. Current Assets			
Inventories	7	1,202.63	1,245.33
Financial Assets			
Trade Receivables	8	1,520.10	533.50
Cash and Cash Equivalents	9	3.12	14.62
Bank Balances Other Than The Above	10	19.78	11.29
Loans	11	14.62	21.59
Other Financial Assets	12	193.41	49.36
Other Current Assets	13	720.94	883.62
Total Current Assets		3,674.60	2,759.31
Total Assets		13,753.21	12,069.59
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	98.86	98.71
Other Equity	15	3,531.50	3,859.51
Total Equity		3,630.36	3,958.22
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	4,405.25	5,893.92
Lease Liability	38	32.57	-
Other Financial Liabilities	17	428.02	661.23
Provisions	18	7.79	7.61
Deferred Tax Liabilities (Net)	32	-	36.86
Total Non-Current Liabilities		4,873.63	6,599.62
2. Current Liabilities			
Financial Liabilities			
Borrowings	19	1,291.02	374.67
Lease Liability	38	12.50	-
Trade Payables due to :	20		
Due to Micro and Small Enterprises		22.26	25.71
Due to Others		919.13	635.14
Other Financial Liabilities	21	353.42	394.81
Provisions	22	1.33	0.42
Other Current Liabilities	23	2,649.56	81.00
Total Current Liabilities		5,249.22	1,511.75
Total Equity and Liabilities		13,753.21	12,069.59
The accompanying notes are an integral part of the financial statements.			
	1 - 51		

As per our report of even date attached

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra

Partner
Membership No.: 179437

Mumbai

September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Revenue From Operations	24	4,043.15	4,565.64
Other Income	25	42.05	27.11
Total Income		4,085.20	4,592.75
EXPENSES			
Cost of Materials Consumed		73.84	75.26
Purchase of Stock-In-Trade		2,591.86	3,120.38
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Increase) / Decrease	26	50.66	(157.81)
Employee Benefits Expense	27	101.04	107.53
Finance Costs	28	635.75	577.92
Depreciation and Amortization Expense	2 & 38	860.68	769.19
Other Expenses	29	96.73	98.04
Total Expenses		4,410.56	4,590.51
Profit / (Loss) Before Tax		(325.36)	2.24
Tax Expense	32	(36.86)	(21.78)
(1) Current Tax		-	-
(2) Deferred Tax		(36.86)	(21.78)
Net Profit / (Loss) For The Year		(288.50)	24.02
Other Comprehensive Income For The Year (Net of Taxes)			
Items that will not be Re - Classified to Profit & Loss Account			
Re-measurement Gains/ (Losses) on Defined Benefit Plans	31	(0.65)	1.60
Fair Value Changes On Investments		(11.61)	10.97
Total Comprehensive Income For The Year (Net of Taxes)		(300.76)	36.59
Earnings Per Equity Share of Face Value of ₹ 2/- each			
Basic - Equity Share	36	(5.84)	0.48
Basic - Class B (Series-1) Share		(5.84)	0.52
Diluted - Equity Share		(5.84)	0.48
Diluted - Class B (Series-1) Share		(5.84)	0.52
The accompanying notes are an integral part of the financial statements.	1 - 51		

As per our report of even date attached

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra

Partner
Membership No.: 179437

Mumbai

September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

	(₹ in crore)	
	As at March 31, 2020	As at March 31, 2019
(A) EQUITY SHARE CAPITAL		
Opening Balance	98.71	98.67
Change During The Year		
Issue of Equity Shares Under Employee Stock Option Scheme	0.15	0.04
Closing Balance	98.86	98.71
(B) OTHER EQUITY		
Retained Earnings		
Opening Balance	582.00	580.40
Profit / (Loss) For The Year	(288.50)	24.02
Transition Effect (IND AS 116 Impact)	(5.53)	-
Transfer to Debenture Redemption Reserve	-	(24.02)
Re-measurement Gains/ (Losses) on Defined Benefit Plans	(0.65)	1.60
Closing Balance	287.32	582.00
Reserve for fair Value Through to Other Comprehensive Income (FVTOCI)		
Opening Balance	10.97	-
Fair Value Changes On Investments	(11.61)	10.97
Closing Balance	(0.64)	10.97
Securities Premium		
Opening Balance	2,830.73	2,830.39
Change During The Year		
Issue of Equity Shares	1.09	0.34
Closing Balance	2,831.82	2,830.73
Debenture Redemption Reserve		
Opening Balance	292.15	268.13
Change During The Year	-	24.02
Closing Balance	292.15	292.15
General Reserve		
Opening Balance	110.82	110.82
Change During The Year	-	-
Closing Balance	110.82	110.82
Share Options Outstanding Account		
Opening Balance	5.29	2.01
Change During The Year		
Expense on Employee Stock Option Scheme	5.83	3.62
Exercise of Stock Options	(1.09)	(0.34)
Closing Balance	10.03	5.29
Promotor Equity Contribution		
Opening Balance	27.55	20.21
Change During The Year	(27.55)	7.34
Closing Balance	-	27.55
TOTAL OTHER EQUITY	3,531.50	3,859.51

As per our report of even date attached

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra

Partner
Membership No.: 179437

Mumbai

September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Year Ended March 31, 2020	Year Ended March 31, 2019
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	(325.36)	2.24
Adjusted for:		
Depreciation and Amortization Expense	860.68	769.19
Finance Costs	635.75	577.92
Profit on Sale of Investments	-	(0.49)
Loss on Sale of Investments	5.46	-
Expense on Employee Stock Option Scheme	5.83	3.62
Loss on Disposal/Discard of Fixed Assets (Net)	9.13	5.06
Allowance for Credit Loss / Bad Debts	5.55	-
Dividend Income	(2.47)	(4.52)
Interest Income	(23.92)	(19.88)
Operating Profit Before Working Capital Changes	1,170.65	1,333.14
Adjusted for:		
Trade Receivables	(992.15)	(45.09)
Other Financial Assets and Other Assets	(108.21)	(486.65)
Inventories	42.69	(158.09)
Trade Payables	280.53	175.39
Other Financial Liabilities, Other Liabilities and Provisions	2,401.16	219.01
Cash Generated From Operations	2,794.69	1,037.71
Taxes Paid	31.19	50.81
Net Cash Flows From Operating Activities	2,825.89	1,088.52
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(962.01)	(1,058.83)
Purchase of Intangible Assets	(506.45)	(216.44)
Purchase of Investments	(98.17)	(20.33)
Dividend Income	2.47	4.52
Interest Income	23.92	19.88
Net Cash Used In Investing Activities	(1,540.24)	(1,271.20)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	7.56	7.38
Payment of lease liability	(23.81)	-
Proceeds from Borrowings	(610.19)	748.28
Interest Paid	(670.71)	(577.92)
Net Cash Flows From / Used in Financing Activities	(1,297.15)	177.74
Net (Decrease)/Increase In Cash and Cash Equivalents (A+B+C)	(11.50)	(4.94)
Net (Decrease)/Increase In Cash and Cash Equivalents	(11.50)	(4.94)
Cash and Cash Equivalents (Opening Balance)	14.62	19.56
Cash and Cash Equivalents (Closing Balance)	3.12	14.62

As per our report of even date attached

For DMKH & CO.
Chartered Accountants
FRN 116886W

Shikha Kabra
Partner
Membership No.: 179437

Mumbai
September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani
Managing Director

Deepak Tanna
Company Secretary

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

NOTES FORMING PART TO THE FINANCIAL STATEMENTS

1 Company Overview And Significant Accounting Policies

1.1 Company Overview

Future Enterprises Limited is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on October 12, 1987. The Company is engaged in the business of manufacturing, trading and leasing of assets.

The Company has its registered office at Mumbai, Maharashtra, India. The Company has its primary listings on the National Stock Exchange of India Limited and BSE Limited.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on September 07, 2020

1.2 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.3 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	: 30 years
Plant and Equipment	: 5 years
Office Equipment*	: 3 to 6 years
Furniture and Fixture	: 10 years
Electrical Installation and Equipment	: 10 years
Vehicles	: 10 years
Leasehold Improvement*	: Lease term or 15 years, whichever is lower

**Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

1.5 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life not exceeding ten years and assessed for impairment whenever there is an indication that the Intangible assets may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

An item of Intangible Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.6 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.7 Impairment of Assets

(i) Financial Assets

The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in such case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

(ii) Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.8 Financial instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

(ii) Subsequent Measurement

a) Non-Derivative Financial Instruments

(i) Financial Assets Carried At Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Assets At Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Investments in Associates, Joint Venture and Subsidiaries

Investments in Associates, Joint Venture and Subsidiaries are carried at cost.

(iv) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(v) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b) Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial Assets or Liabilities, at Fair Value Through Profit or Loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Derecognition of Financial Instruments

The company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

1.9 Current Versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.10 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Input for the asset or liability that are not based on observable market data (unobservable inputs).

1.11 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

1.12 Employee Benefits

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

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

1.13 Share-Based Payment

The Company recognizes compensation expense relating to share-based payments in statement of profit and loss, using fair-value. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.14 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

1.15 Revenue recognition

Revenue is recognised on a fair value basis to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(i) Sale of goods

Revenue from sale of goods is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and excludes Goods and service tax (GST). It is measured at fair value of consideration received or receivable, net of returns and allowances.

(ii) Revenue from Sale of Services

Revenue from Sale of services are recognised as they are rendered based on arrangements with the customers.

(iii) Lease Income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight - line basis as per the terms of the agreements in the statement of profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv) Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

1.16 Foreign Currency Transactions

(i) Functional Currency

Financial statements of the Company's are presented in Indian Rupees (₹), which is also the functional currency.

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

1.17 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Buildings (leased stores). The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right to use of Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-to-use of assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-to-use of assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

1.18 Taxation

Income tax comprises current and deferred income tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

1.20 Borrowing Costs

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Property, Plant and Equipment

(₹ in crore)

Tangible Assets	Land	Building	Leasehold Improve-ments	Plant & Equipments	Office Equip-ments	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Cost									
As At April 01, 2018	5.76	7.53	1,864.75	1,260.34	300.33	4,841.14	4.86	8,284.71	582.65
Additions	-	-	250.56	124.39	37.57	720.22	0.18	1,132.92	-
Disposals / Transfers	-	-	6.28	0.08	4.37	8.40	-	19.13	-
As At March 31, 2019	5.76	7.53	2,109.03	1,384.65	333.53	5,552.96	5.04	9,398.50	521.84
As At April 01, 2019	5.76	7.53	2,109.03	1,384.65	333.53	5,552.96	5.04	9,398.50	521.84
Additions	-	-	111.24	104.67	55.92	534.78	-	806.62	102.33
Disposals / Transfers	-	-	10.99	1.20	6.00	1.60	-	19.79	-
As At Mar 31, 2020	5.76	7.53	2,209.28	1,488.12	383.45	6,086.14	5.04	10,185.33	624.17
Depreciation									
As At April 01, 2018	0.06	0.48	246.41	209.77	150.72	1,235.18	2.80	1,845.42	-
Depreciation For The Year	0.02	0.20	117.89	86.45	43.67	518.14	0.73	767.10	-
Disposals / Transfers	-	-	0.78	-	-	0.01	-	0.79	-
As At March 31, 2019	0.08	0.68	363.52	296.22	194.39	1,753.31	3.53	2,611.73	-
As At April 01, 2019	0.08	0.68	363.52	296.22	194.39	1,753.31	3.53	2,611.73	-
Depreciation For The Year	0.01	0.24	115.15	91.63	46.53	555.05	0.54	809.15	-
Disposals / Transfers	-	-	2.91	0.39	1.26	0.43	-	5.00	-
As At Mar 31, 2020	0.09	0.92	475.76	387.46	239.66	2,307.93	4.07	3,415.88	-
Net book value									
As At Mar 31, 2020	5.67	6.61	1,733.52	1,100.66	143.79	3,778.21	0.97	6,769.45	624.17
As At March 31, 2019	5.68	6.85	1,745.51	1,088.43	139.14	3,799.65	1.51	6,786.77	521.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

Intangible Assets	Computer Software	Intellectual Property Rights	Total
Cost			
As At April 01, 2018	-	-	-
Additions	-	216.44	216.44
Disposals / Transfers	-	-	-
As At March 31, 2019	-	216.44	216.44
As At April 01, 2019	-	216.44	216.44
Additions	26.59	520.66	547.25
Disposals / Transfers	-	-	-
As At March 31, 2020	26.59	737.10	763.69
Amortization			
As At April 01, 2018	-	-	-
Amortization For The Year	-	2.09	2.09
Disposals / Transfers	-	-	-
As At March 31, 2019	-	2.09	2.09
As At April 01, 2019	-	2.09	2.09
Amortization For The Year	0.55	40.26	40.81
Disposals / Transfers	-	-	-
As At March 31, 2020	0.55	42.35	42.90
Net book value			
As At March 31, 2020	26.04	694.75	720.79
As At March 31, 2019	-	214.35	214.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
3	Non-Current Financial Assets - Investments		
	Trade Investments Fully paid up of ₹10/- each unless otherwise stated		
	Investments in		
	Equity Instruments		
	Quoted		
	Subsidiary Company		
	100 Equity Shares of Future Supply Chain Solutions Limited	0.00	0.00
	Others		
	61,22,935 (49,37,935) Equity Shares of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	10.50	19.34
	100 Equity Shares of Future Consumer Limited of ₹ 6/- each (Formerly Known as Future Consumer Enterprise Limited)	0.00	0.00
	Unquoted		
	Subsidiary Companies		
	1,91,60,000 Equity Shares of Future Bazaar India Limited (Refer Note No 48)	19.16	19.16
	2,73,78,746 Equity Shares of Future Media (India) Limited	36.65	36.65
	2,09,30,419 Equity Shares of Future E-Commerce Infrastructure Limited (Refer Note No 48)	17.72	17.72
	Nil (34,58,654) Equity Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited) (untill March 05, 2020)	-	35.92
	2,24,52,099 Equity Shares of Bluerock eServices Private Limited	10.92	10.92
	5,08,388 (Nil) Equity Shares of Leanbox Logistics Solutions Private Limited (Refer Note No 48)	15.00	-
	30,000 Equity Shares of Future Merchandising and Sourcing Pte.Limited of \$ 1/- each	0.20	0.20
	10,000 Equity Shares of Ritvika Trading Private Limited	0.01	0.01
	Joint Ventures		
	22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	73.84	73.78
	23,07,80,872 (20,65,50,000) Equity Shares of Future Generali India Insurance Company Limited	230.78	206.55
	16,69,54,012 (14,32,37,839) Equity Shares of Future Generali India Life Insurance Company Limited	166.95	143.24
	22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	70.50	70.44
	29,70,64,566 (27,43,66,794) Equity Shares of Sprint Advisory Services Private Limited	297.06	274.37
	13,50,29,966 (11,18,44,321) Equity Shares of Shendra Advisory Services Private Limited	135.03	111.84
	Associates		
	7,11,74,377 partly paid Equity Shares of Livquik Technology (India) Private Limited of ₹ 1/- each	10.00	5.00
	20,93,288 (Nil) Equity Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited) (W.e.f March 05, 2020)	19.09	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
In Preference Shares		
Unquoted		
Subsidiary Companies		
45,13,966 0.01% Non-Cumulative Compulsory Convertible Preference Shares (Series -2) of Future E-Commerce Infrastructure Limited	48.65	48.65
71,72,820 Non-Cumulative Compulsory Convertible Preference Shares (Series -1) of Future E-Commerce Infrastructure Limited	0.11	0.11
NIL (5,58,088) Cumulative Convertible Preference Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited)	-	0.70
Others		
6,30,000 9 % Redemeable Preference Shares of Praxis Home Retail Limited of ₹ 100 Each	-	-
In Debentures		
34,15,000 (38,00,000) Compulsory Convertible Debentures of ₹ 30/- each of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	10.25	11.40
Non-Trade Investments paid up of ₹10/- each unless otherwise stated		
Unquoted		
Others		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less : Provision	(0.08)	(0.08)
NIL (47,71,037) Equity Shares of Pan India Food Solutions Private Limited	-	5.38
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	3.13	3.13
In Government and Other Securities		
Quoted		
3,00,000 9% Corporate Bonds of Mahindra & Mahindra Financial Services Limited of ₹ 1000/- each	31.13	31.13
200 8.45% Corporate Bonds of Bajaj Finance Limited of ₹ 10,00,0000/- each	20.13	20.13
60 8.75% Corporate Bonds of Bajaj Finance Limited of ₹ 10,00,0000/- each	6.07	6.07
Unquoted		
50 Equity Shares of Saraswat Co-Operating Bank Limited	0.00	0.00
National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.05
LIC Mutual Fund Liquid Plan	0.52	0.47
	1233.45	1,152.36
Note:		
Quoted Investment Carried At Fair Value Through Other Comprehensive Income		
1 Aggregate Amount of Quoted Investments	67.84	76.68
2 Market Value of Quoted Investments	67.84	76.68
3 Aggregate Amount of Unquoted Investments	1165.69	1075.78
4 Aggregate Amount of Diminution in Value of Investments	0.08	0.08

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
4	Non-Current Financial Assets - Loans		
	Others Unsecured, Considered Good	333.20	178.05
		333.20	178.05
5	Non-Current Financial Assets - Others		
	Bank Balances Other Than Cash and Cash Equivalents		
	Deposit With Banks	0.72	0.57
		0.72	0.57
6	Other Non-Current Assets		
	Capital Advances		
	Others Unsecured, Considered Good	42.13	227.89
	Others		
	Others Unsecured, Considered Good*	308.18	228.45
		350.31	456.34
	(* Includes Balances with Statutory Authorities.)		
7	Inventories		
	Raw Materials	9.72	1.76
	Work-in-Progress	5.07	6.11
	Stock-in-Trade	1,187.84	1,237.46
	Included Goods in Transit of ₹ 2.68 crore (2019 : ₹ 11.95 crore)		
		1,202.63	1,245.33
8	Trade Receivables		
	Unsecured, Considered Good	1,520.10	533.50
	Unsecured, Considered Doubtful	4.91	-
		1,525.01	533.50
	Less : Allowance for Credit Losses	4.91	-
		1,520.10	533.50
9	Cash and Cash Equivalents		
	Balances with Banks	3.09	14.60
	Cash on Hand	0.03	0.02
		3.12	14.62
10	Bank Balances Other Than The Above		
	Deposit With Banks*	19.59	11.02
	On Dividend Accounts	0.19	0.27
		19.78	11.29
	* Held as margin money or security against the borrowings, guarantees and other commitments		
11	Current Financial Assets - Loans		
	Unsecured, Considered Good	14.62	21.59
		14.62	21.59
12	Current Financial Assets-Others		
	Others	193.41	49.36
		193.41	49.36
13	Other Current Assets		
	Other Advances#		
	Unsecured, Considered Good	720.94	883.62
		720.94	883.62
	#Includes Advance to Suppliers, Prepaid Expenses, Statutory Authorities, etc.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14 Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in crore)	Number	(₹ in crore)
Authorised				
Equity Shares of ₹ 2/- each	60,00,00,000	120.00	60,00,00,000	120.00
Equity Shares of Class B (Series 1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
	65,00,00,000	130.00	65,00,00,000	130.00
Issued *				
Equity Shares of ₹ 2/- each	45,50,26,279	91.01	45,43,13,146	90.86
Equity Shares of Class B (Series 1) of ₹ 2/- each	3,93,83,172	7.88	3,93,83,172	7.88
	49,44,09,451	98.89	49,36,96,318	98.74
Subscribed and Paid up *				
Equity Shares of ₹ 2/- each	45,49,30,401	90.99	45,42,17,268	90.84
Equity Shares of Class B (Series 1) of ₹ 2/- each	3,93,74,679	7.87	3,93,74,679	7.87
	49,43,05,080	98.86	49,35,91,947	98.71

*Refer Note No 14 (v)

(i) Reconciliation of Number of shares

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of Shares	Number of Shares
Opening Balance	45,42,17,268	45,39,97,068
Add : Shares Issued*	7,13,133	2,20,200
Closing Balance	45,49,30,401	45,42,17,268

* 7,13,133 (2019 : 2,20,200) equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme

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

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of Shares	Number of Shares
Opening Balance	3,93,74,679	3,93,74,679
Shares Issued	-	-
Closing Balance	3,93,74,679	3,93,74,679

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Terms/Rights Attached to Equity Shares

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

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

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

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

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

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

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

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

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Central Departmental Stores Private Limited	20,28,49,049	44.59	20,01,11,430	44.06
Bennett, Coleman and Company Limited	5,89,09,916	12.95	5,89,09,916	12.97
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	2,78,20,408	6.12	2,78,20,408	6.12
Brand Equity Treaties Limited	2,49,99,999	5.50	2,49,99,999	5.50
Equity Shares of Class B (Series 1)				
Central Departmental Stores Private Limited	2,54,41,753	64.61	2,54,41,753	64.61
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	28,79,503	7.31	28,79,503	7.31

(v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.

- 11,400 Equity Shares of Rights Issue of 2006.
- 84,478 Equity Shares of Rights Issue of 2015.
- 8,493 Equity Shares of Class B (Series-1) of Rights Issue of 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in crore)	
	As at March 31, 2020	As at March 31, 2019
15. OTHER EQUITY		
Retained Earnings		
Opening Balance	582.00	580.40
Profit/(Loss) For The Year	(288.50)	24.02
Transition (IND AS 116 Impact)	(5.53)	-
Transfer to Debenture Redemption Reserve	-	(24.02)
Re-measurement Gains / (Losses) on Defined Benefit Plans	(0.65)	1.60
Closing Balance	287.32	582.00
Reserve for fair Value Through to Other Comprehensive Income (FVTOCI)		
Opening Balance	10.97	-
Fair Value Changes On Investments	(11.61)	10.97
Closing Balance	(0.64)	10.97
Securities Premium		
Opening Balance	2,830.73	2,830.39
Change During The Year		
Issue of Equity Shares	1.09	0.34
Closing Balance	2,831.82	2,830.73
Debenture Redemption Reserve		
Opening Balance	292.15	268.13
Change During The Year	-	24.02
Closing Balance	292.15	292.15
General Reserve		
Opening Balance	110.82	110.82
Change During The Year	-	-
Closing Balance	110.82	110.82
Share Options Outstanding Account		
Opening Balance	5.29	2.01
Change During The Year		
Expense on Employee Stock Option Scheme	5.83	3.62
Exercise of Stock Options	(1.09)	(0.34)
Closing Balance	10.03	5.29
Promotor Equity Contribution		
Opening Balance	27.55	20.21
Change During The Year	(27.55)	7.34
Closing Balance	-	27.55
TOTAL OTHER EQUITY	3,531.50	3,859.51

Nature and Purpose of Reserves :

a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

b) Capital Reserve

Capital Reserve reflect amounts arising out of adjustment pursuant to giving effect to various schemes of arrangements.

c) Debenture Redemption Reserve

Debenture Redemption Reserve is created out of profits of the company and is to be utilised to redemption of Debentures only.

d) General Reserve

The General Reserve is mainly created/built by the Company from time to time by transferring the profits from retained earnings. This reserve can be utilised for various purposes in compliance with applicable provisions of the Companies Act, 2013 and rules made there under.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2020	As at March 31, 2019
16	Non-Current Financial Liabilities - Borrowings		
	Secured (Refer Note 46)		
	Non-Convertible Debentures	4,018.32	4,919.40
	Long-Term Loan from Banks / Other	386.93	974.52
		4,405.25	5,893.92
17	Non-Current Financial Liabilities - Others		
	Deposit Received from Others	98.55	623.36
	Public Deposits	329.47	37.87
		428.02	661.23
18	Non-Current Liabilities - Provisions		
	Long Term Provision for Employee Benefits	7.79	7.61
		7.79	7.61
19	Current Financial Liabilities - Borrowings		
	Secured		
	Term Loans from Bank	278.20	100.00
	Working Capital Loans and Others (Refer Note No. 46)	515.82	274.67
		794.02	374.67
	Unsecured		
	Commercial Paper	497.00	-
		1,291.02	374.67
20	Trade Payables		
	Due to Micro, Small and Medium Enterprises (Refer Note No. 39)	22.26	25.71
	Due to Others	919.13	635.14
		941.39	660.85
21	Current-Other Financial Liabilities		
	Current Maturities of Long-Term Borrowings	97.19	166.25
	Current Maturities of Public Deposits	81.20	6.43
	Interest Accrued But Not Due on Borrowings	174.75	221.86
	Unclaimed Dividends *	0.28	0.27
		353.42	394.81
	*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
22	Current Provisions		
	Short Term Provision for Employee Benefits	1.33	0.42
		1.33	0.42
23	Other Current Liabilities		
	Other Payables	89.56	81.00
	Advance from Customer	2,560.00	-
		2,649.56	81.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	Year Ended March 31, 2020	Year Ended March 31, 2019
24 Revenue From Operations		
Sale of Products	3,501.90	4,012.46
Less: Goods and Service Tax	175.20	189.79
Other Operating Revenue	716.45	742.97
	4,043.15	4,565.64
25 Other Income		
Interest Income	23.92	19.88
Dividend on Non-Current Investments	2.47	4.52
Excess Provisions/Liabilities Written Back	6.89	0.25
Profit on sale of Investments	-	0.49
Miscellaneous Income	8.77	1.97
	42.05	27.11
26 Changes in Inventories of Stock-in-Trade		
Opening Inventories		
Stock-in-Trade	1,237.46	1,079.80
Work-in-Progress	6.11	5.96
Closing Inventories		
Stock-in-Trade	1,187.84	1,237.46
Work-in-Progress	5.07	6.11
	50.66	(157.81)
27 Employee Benefits Expense		
Salaries, Wages and Bonus	89.15	98.26
Contribution to Provident and Other Funds	5.27	4.44
Employee Stock Option Expense	5.83	3.62
Staff Welfare Expenses	0.79	1.21
	101.04	107.53
28 Finance Costs		
Interest Expense	606.49	575.33
Other Borrowing Costs	29.26	2.59
	635.75	577.92
29 Other Expenses		
Power and Fuel	4.52	4.22
Repairs and Maintenance	1.00	1.15
Insurance	4.48	3.33
Rates and Taxes	1.72	4.13
Rent Including Lease Rentals	5.72	18.69
Loss on Disposal/Discard of Fixed Assets (Net)	9.13	5.06
Loss on Sale of Investment	5.46	-
Exchange Fluctuation (Gain) / Loss (Net)	3.29	6.28
Allowance for Credit Losses / Bad Debts	5.55	-
Miscellaneous Expenses	55.86	55.18
	96.73	98.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

(ii) Foreign Currency Risk

The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

The following table analyzes foreign currency risk from financial instruments as of:

	(₹ in crore)	
	2019-20	2018-19
Trade Payables	18.08	59.19
Trade Receivables	0.65	3.81

(iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1525.01 crore and ₹ 533.50 crore as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model:

	(₹ in crore)	
	2019-20	2018-19
Opening Balance	-	-
Provided During The Year	5.55	-
Bad Debts Written off	(0.64)	-
Closing Balance	4.91	-

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv) Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

(₹ in crore)

	2019-20	2018-19
Borrowings	1,291.02	374.67
Trade Payables	941.39	660.85
Other Financial Liabilities	353.42	394.81

(v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in crore)

Particulars	As At March 31 2020			As At March 31 2019		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	1,520.10	-	-	533.50	-	-
Cash and Bank Balances	22.90	-	-	25.91	-	-
Loans	347.82	-	-	199.64	-	-
Other Financial Assets	194.13	-	-	49.93	-	-
At FVTOCI						
Investments	81.79	67.84	13.95	97.11	76.68	20.43
Financial Liabilities						
At Amortised Cost						
Borrowings	5,696.27	-	-	6,268.59	-	-
Trade Payables	941.39	-	-	660.85	-	-
Other Financial Liabilities	781.44	-	-	1,056.04	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

(vi) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. In Net debt, the Company includes interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

	(₹ in crore)	
	March 31, 2020	March 31, 2019
Gross Debt	5,874.66	6,441.27
Trade Payables	941.39	660.85
Other Payables	3,252.61	926.49
Less: Cash and Cash Equivalents	3.12	14.62
Net Debt	10,065.54	8,013.99
Equity	98.86	98.71
Other Equity	3,531.50	3,859.51
Total Capital	3,630.36	3,958.22
Capital and Net Debt	13,679.90	11,972.21
Gearing Ratio	73.57%	66.94%

In order to achieve this overall objective, the Company's capital management amongst other things aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

31. Employee Benefits - Gratuity

As per Ind AS 19 the disclosures as defined in the Accounting Standard are given below:

(i) Change in Present Value of Defined Benefit Obligation

	(₹ in crore)	
	2019-20	2018-19
Defined Benefit Obligation at the beginning	4.88	5.60
Service Cost	0.69	1.00
Interest Expense	0.36	0.41
Acquisition / Divestiture	-	-
Remeasurement-Actuarial (gains)/losses	0.65	(1.60)
Benefits Paid	(0.87)	(0.53)
Defined Benefit Obligation at the end	5.71	4.88

(ii) Change in Fair Value of Plan Assets

	(₹ in crore)	
	2019-20	2018-19
Fair Value of Plan Assets at the beginning	-	-
Transfer of assets	-	-
Remeasurement-Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	-
Actuarial Gain/ (Loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Net Defined Benefit Liability/ (Assets)

	(₹ in crore)	
	2019-20	2018-19
Defined Benefit Obligation	5.71	4.88
Fair Value of Plan Assets	-	-
Surplus /(Deficit)	5.71	4.88
Effect of Assets Ceiling	-	-
Net Defined Benefit Liability/ (Assets)	5.71	4.88

(iv) Total Expenses Recognised in the Statement of Profit and Loss Account

	(₹ in crore)	
	2019-20	2018-19
Current Service cost	0.69	1.00
Net interest on the net defined benefit liability/asset	0.36	0.41
Immediate recognition of (gains)/losses - other long term benefits	-	-
Total Expenses Recognised in Profit And Loss Account	1.05	1.41

(v) Remeasurement Effects Recognised in Other Comprehensive Income (OCI)

	(₹ in crore)	
	2019-20	2018-19
Actuarial (gains)/losses	0.65	(1.60)
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	-	-
Total (Gain) / Loss included in OCI	0.65	(1.60)

(vi) Total Cost Recognised in Comprehensive Income

	(₹ in crore)	
	2019-20	2018-19
Expenses Recognised in Profit And Loss Account	1.05	1.41
Remeasurement Effects Recognised in Other Comprehensive Income (OCI)	0.65	(1.60)
Total Cost Recognised in Comprehensive Income	1.70	(0.19)

(vii) Reconciliation of Amounts in Balance Sheet

	(₹ in crore)	
	2019-20	2018-19
Defined Benefit Obligation at the beginning	4.88	5.60
Acquisitions	-	-
Total expenses recognised in Profit and Loss Account	1.05	1.41
Total Remeasurement included in OCI	0.65	(1.60)
Contribution Paid	-	-
Benefits Paid During the Year	(0.87)	(0.53)
Defined Benefit Obligation at the end	5.71	4.88

(viii) Reconciliation of Amounts in Statement of Other Comprehensive Income

	(₹ in crore)	
	2019-20	2018-19
OCI (Income)/ Loss beginning of the Year	(2.07)	(0.47)
Total Remeasurement included in OCI	0.65	(1.60)
OCI (Income)/ Loss end of the Year	(1.42)	(2.07)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ix) Expected Maturity Profile of Defined benefit Obligation

	(₹ in crore)	
	2019-20	2018-19
Year 1	0.46	0.27
Year 2	0.27	0.53
Year 3	0.22	0.36
Year 4	0.56	0.30
Year 5	0.25	0.68
Year 6 - 10	2.07	2.04

(x) Financial Assumptions

	2019-20	2018-19
Discount Rate	6.71%	7.55%
Expected Rate of Salary Increase	0% for first year, 5% thereafter	7% for First 2 Years and 5 % Thereafter

(xi) Demographic Assumptions

	2019-20	2018-19
Mortality Rate	IALM (2012-14) ultimate	IALM (2006-08) ultimate
Withdrawal Rate	Service < 5 Years : 16% and Service > 5 Years : 2%	Service < 5 Years : 16% and Service > 5 Years : 2%
Retirement age	58 Years	58 Years

(xii) Sensitivity Analysis

	(₹ in crore)	
	2019-20	2018-19
Discount Rate		
a. Discount Rate -100 basis point	6.37	5.41
b. Discount Rate +100 basis point	5.33	4.41
Salary increase Rate		
a. Rate -100 basis point	5.22	4.45
b. Rate +100 basis point	6.63	5.37

32. Income Tax Expense

(i) Reconciliation of Tax Expenses

	(₹ in crore)	
	2019-20	2018-19
Profit Before Tax	(325.36)	2.24
Applicable tax rate	34.94%	34.61%
Computed expected tax expense	-	0.78
Effect of Additional deduction	-	(22.56)
Tax Expense charged to the Statement of Profit & Loss	-	(21.78)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Amount for which Deferred Tax

	(₹ in crore)	
	2019-20	2018-19
Unused Tax Losses	448.35	187.07
Accelerated depreciation for tax purpose	(292.45)	(226.74)
Other items giving rise to temporary differences	3.18	2.81
Deferred tax asset / (liability) *	159.09	(36.86)

*No deferred income tax asset is recognized as due to current business scenario the management is of the opinion that there is no certainty that future taxable profit will be available in short term against which the deductible temporary differences and tax losses can be utilized. Any gain arising due to deferred tax will be adjusted in subsequent financial year.

33. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to manufacturing, trading and leasing of assets. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

	(₹ in crore)	
	2019-20	2018-19
1 . Segment Revenue		
Manufacturing and Trading	3,284.60	3,822.67
Leasing and Other	758.55	742.97
Revenue from Operations	4,043.15	4,565.64
2 . Segment Results		
Manufacturing and Trading	446.76	627.88
Leasing and Other	(32.14)	87.15
Total Segment Profit Before Interest and Tax	414.62	715.03
Less :		
Finance Costs	635.75	577.92
Net Unallocated Income (Net)	104.22	134.87
Total Profit Before Tax	(325.36)	2.24
3 . Segment Assets		
Manufacturing and Trading	2,764.17	2,284.28
Leasing and Other	7,320.12	7,225.00
Unallocated	3,668.92	2,560.31
Total Assets	13,753.21	12,069.59
4 . Segment Liabilities		
Manufacturing and Trading	941.39	563.70
Leasing and Other	473.24	720.51
Unallocated	2,653.38	126.17
Total Liabilities	4,068.01	1,410.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

(i) List of Related Parties

A Subsidiary Companies

- (i) Bluerock eServices Private Limited
- (ii) Future E-Commerce Infrastructure Limited
- (iii) Future Media (India) Limited
- (iv) Future Merchandising and Sourcing Pte. Ltd.
- (v) Futurebazaar India Limited
- (vi) Ritvika Trading Private Limited
- (vii) Work Store Limited (Untill 05th March 2020)
- (viii) Office Shop Private Limited (Subsidiary of Work Store Limited) (Untill 05th March 2020)
- (ix) Future Supply Chain Solutions Limited (FSCSL) - (Subsidiary of Ritvika Trading Private Limited)
- (x) Vulcan Express Private Limited (Subsidiary of FSCSL) (Till 12th Dec 2019)
- (xi) Leanbox Logistics Solutions Private Limited (w.e.f. 29th June 2019)

B Associate Company

- (i) Livquik Technology (India) Private Limited
- (ii) Work Store Limited (w.e.f 05th March 2020)

C Joint Venture Companies

- (i) Apollo Design Apparel Parks Limited
- (ii) Future Generali India Insurance Company Limited
- (iii) Future Generali India Life Insurance Company Limited
- (iv) Goldmohur Design and Apparel Park Limited
- (v) Shendra Advisory Services Private Limited
- (vi) Sprint Advisory Services Private Limited

D Enterprises over which Key Managerial Personnel are able to exercises significant influence

- (i) Future Ideas Company Limited
- (ii) Future Lifestyle Fashions Limited
- (iii) Future Retail Limited
- (iv) Future Sharp Skills Limited
- (v) Retail Light Techniques India Limited
- (vii) Birthright Games & Entertainment Private Limited
- (vii) Future Speciality Retail Limited
- (viii) Future Style Lab Limited
- (xi) Galaxy Cloud Kitchens Limited (formely known as Galaxy Entertainment Corporation Ltd)
- (xii) Praxis Home Retail Limited
- (xiii) Aadhaar Wholesale Trading And Distribution Limited
- (xiv) Future Consumer Limited
- (xv) Future Coupons Limited
- (xvi) Integrated Food Park Limited
- (xvii) The Nilgiri Dairy Farm Private Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

E Entities Able to Exercise Significant Influence:

- (i) Central Departmental Stores Private Limited
- (ii) Future Corporate Resources Private Limited - (Formerly known as Suhani Trading & Investment Consultants Private Limited)

F Key Managerial Personnel

- (i) Mr. Vijay Biyani - Managing Director
- (ii) Mr. Dinesh Maheshwari - Executive Director & CFO
- (iii) Mr. Deepak Tanna - Company Secretary

G Relatives of Key Managerial Personnel

- (i) Mrs. Pravina Tanna

2. Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Subsidiaries	Associates/ Joint Ventures	Key Managerial Personnel Exercise Significant Influence	Key Managerial Personnel / Relatives
Sale of Goods and Services	1.71 (-)	- (-)	3,976.22 (4,213.34)	- (-)
Purchases of Goods and Services	21.54 (23.65)	471.33 (381.24)	27.16 (33.23)	0.03 (0.03)
Managerial Remuneration	- (-)	- (-)	- (-)	6.33 (6.20)
Sitting fees and Commission	- (-)	- (-)	- (-)	0.60 (0.24)
Dividend Received	- (2.05)	2.46 (2.46)	- (-)	- (-)
Investment	15.00 (0.01)	98.83 (52.54)	- (-)	- (-)
Outstanding Balances as on March 31, 2020				
Receivable	0.16 (0.10)	0.09 (-)	173.74 (110.19)	- (-)
Payable	37.82 (3.17)	170.29 (208.35)	1,356.42 (132.84)	- (-)

3. Significant Related Party Transactions

- A Sale of Goods and Services and Fixed Assets includes Future Retail Limited ₹ 3,435.89 crore (2019 : ₹ 3,838.14 crore), Future Lifestyle Limited ₹ 513.23 crore (2019 : ₹ 375.31 crore).
- B Purchases of Goods and Services includes Future Supply Chain Solutions Limited ₹ 21.54 crore (2019 : ₹ 23.56 crore), Apollo Design Apparel Parks Limited ₹ 234.59 crore (2019 : ₹ 179.11 crore), Goldmohur Design and Apparel Park Limited ₹ 224.15 crore (2019 : ₹ 199.23 crore), Future Generali India Life Insurance Company Limited ₹ 0.31 crore (2019 : ₹ 0.24 crore), Future Generali India Insurance Company Limited ₹ 3.25 crore (2019 : ₹ 2.67 crore) Future Ideas Company Limited ₹ 0.03 crore (2019 : ₹ 0.18 crore).
- C Managerial Remuneration includes Mr. Vijay Biyani ₹ 2.44 crore (2019 : 3.18 crore), Mr. Dinesh Maheshwari ₹ 3.38 crore (2019 : ₹ 2.42 crore), Key Managerial Remuneration Mr. Deepak Tanna ₹ 0.51 crore (2019 : ₹ 0.59 crore).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- D Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.21 crore (2019: ₹ 1.21 crore), Goldmohur Design and Apparel Park Limited ₹ 1.25 crore (2019 : ₹ 1.25 crore), Future Supply Chain Solutions Limited ₹ Nil crore (2019: ₹ 2.05 crore).
- E Investment includes Sprint Advisory Services Private Limited ₹ 22.70 crore (2019 : ₹ 25.76 crore), Shendra Advisory Services Private Limited ₹ 23.19 crore (2019 : ₹ Nil crore), Future Generali India Life Insurance Company Limited ₹ 23.72 crore (2019 : ₹ 26.78 crore), Future Generali India Insurance Company Limited ₹ 24.23 crore (2019 : ₹ Nil crore), Livquik Technology (India) Private Limited ₹ 5.00 crore (2019 : ₹ 5.00 crore), Leanbox Logistics Solutions Private Limited ₹ 15.00 Cr (2019 : NIL).

35. Joint Venture Companies Information

Sr. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2020	Percentage of Interest as on March 31, 2019
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.51%	25.51%
3	Future Generali India Life Insurance Company Limited	Equity	India	8.62%	7.77%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Sprint Advisory Services Private Limited	Equity	India	49.81%	49.81%
6	Shendra Advisory Services Private Limited	Equity	India	49.82%	49.82%

Company's Interest in the Joint Ventures

(₹ in crore)

Sr. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Apollo Design Apparel Parks Limited	March 31, 2020	63.16	15.00	March 31, 2020	110.70	105.40
2	Future Generali India Insurance Company Limited	March 31, 2020	1,755.01	1,481.12	March 31, 2020	595.77	544.72
3	Future Generali India Life Insurance Company Limited	March 31, 2020	437.33	410.68	March 31, 2020	129.79	146.14
4	Goldmohur Design and Apparel Park Limited	March 31, 2020	58.41	12.55	March 31, 2020	107.78	103.26
5	Sprint Advisory Services Private Limited	March 31, 2020	481.59	0.02	March 31, 2020	0.00	0.07
6	Shendra Advisory Services Private Limited	March 31, 2020	226.77	0.02	March 31, 2020	0.14	0.15

36. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2019-20	2018-19
Profit / (Loss) for the Year attributable to Equity Holders	₹	(288.50)	24.02
The Weighted average number of Ordinary Shares for Basic EPS	No. in crore	45.49	45.42
The Weighted average number of Class B (Series-1) Shares for Basic EPS	No. in crore	3.94	3.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Units	2019-20	2018-19
The Weighted average number of Ordinary Shares for Diluted EPS	No. in crore	45.49	45.42
The Weighted average number of Class B (Series-1) Shares for Diluted EPS	No. in crore	3.94	3.94
The Nominal Value per Share (Ordinary and Class B Shares)	₹	2.00	2.00
Share of Profit / (Loss) for Ordinary Shares for Basic EPS	₹	(265.50)	21.96
Share of Profit / (Loss) for Class B (Series-1) Shares for Basic EPS	₹	(23.00)	2.06
Share of Profit / (Loss) for Ordinary Shares for Diluted EPS	₹	(265.50)	21.96
Share of Profit / (Loss) for Class B (Series-1) Shares for Diluted EPS	₹	(23.00)	2.06
Earnings Per Ordinary Share (Basic)	₹	(5.84)	0.48
Earnings Per Class B (Series-1) Share (Basic)	₹	(5.84)	0.52
Earnings Per Ordinary Share (Diluted)	₹	(5.84)	0.48
Earnings Per Class B (Series-1) Share (Diluted)	₹	(5.84)	0.52

37. Employee Stock Option Scheme

The company had received approval of the Board and Shareholders for issuance of 1,36,00,000 Employee Stock Options ("ESOP")/ Restricted Stock Units ("RSU") (collectively known as "Stock Options") which shall be exercisable into not more than 1,36,00,000 (One crore Thirty Six Lakh) fully paid up equity shares of the Company of face value of ₹ 2/- each (Rupees Two each) for offering to eligible employees of the Company under Employee Stock Option Scheme- 2019 (FEL ESOP 2019"/ "Plan). During the year the Company has granted in aggregate 66,51,984 RSUs (2019- 47,45,000) Stock Options out of which 66,51,984 Options exercisable at a price of ₹ 2 each. The Stock Options to be granted, would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

Stock Option activity under the scheme is set out below:

	2019-20		2018-19	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	58,38,133	2	13,13,333	2
Number of options revised	-	2	-	2
Granted during the year	66,51,984	20	47,45,000	(21.60 and 21.90)
Forfeited / cancelled during the year	-	2	-	2
Exercised during the year	7,13,133	2	2,20,200	2
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,17,76,984	2	58,38,133	2
Exercisable at the end of the year	1,17,76,984	2	58,38,133	2
Weighted average remaining contractual life of outstanding options (in years)	2.75		3.65	
Weighted average fair value of options granted ₹				
Weighted average fair value of options granted ₹				
- On December 12, 2016 : ₹ 14.31				
- On August 13, 2018 : ₹ 22.78				
- On February 5, 2019 : ₹ 23.29				
- On February 14, 2020 : ₹ 20.00				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

1. Date of Grant	February 14, 2020	February 05, 2019	August 13, 2018	November 07, 2016
2. Risk Free Interest Rate	5.80%	7.20%	7.72%	6.57%
3. Expected Life	3.40	3.65	3.65	2.75
4. Expected Volatility	57.92%	43.75%	44.03%	43.12%
5. Dividend Yield	-	-	-	-
6. Price of the underlying share in market at the time of the option grant (₹)	21.63	38.23	37.40	16.64

38. Leases

The Company has entered into lease arrangements for its warehouses, office premises etc. These leasing arrangements which are non-cancellable range between 3 to 25 years on an average and are usually renewable by mutual consent on mutually agreeable terms. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under accounting policies included as part of our Annual Report for the year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right to use' of asset of ₹ 132.31 Crs. and a lease liability of ₹ 137.84 Crs. The cumulative effect of applying the standard, amounting to ₹ 5.53 Crs. was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on profit before tax, profit for the period and earnings per share. Ind AS 116 will result in increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.15%

Opening balance as on April 2019 ₹ 132.31 crore, Net Investment in sublease, Unwinding amounting to ₹ 119.91 crore, Depreciation amounting to ₹ 10.71 crore, and closing Balance as on March 31, 2020 ₹ 1.68 crore.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in statement of Profit & Loss.

Lease Liability opening balance as on April 2019 ₹ 137.82 crore, Finance cost, Payment of Lease Liability and Unwinding amounting to ₹ 92.75 crore and closing balance as on March 31, 2020 to ₹ 45.07 crore.

The break-up Lease Liabilities between current Lease Liabilities to ₹ 12.50 crore and non-current lease liabilities to ₹ 32.57 crore as at March 31, 2020

The Company does not face a significant liquidity risk with regards to its lease Liabilities as the current assets are sufficient to meet obligations to lease liabilities as and when they fall due.

Reconciliation for the effects of the transition on Statement of Profit and loss for year ended March 31, 2020 as follows:

(₹ in crore)

Particulars	Year ended March 31, 2020 Comparable basis	Changes due to Ind-AS 116 Increase / (decrease)	Year ended March 31, 2020 as reported
Revenue from operations	4,055.28	(12.13)	4,043.15
Other Income	22.56	19.49	42.05
Other Expenses	120.54	(23.81)	96.73
Depreciation and amortisation expense	849.97	10.71	860.68
Finance costs	622.44	13.31	635.75
Profit / (Loss) before tax	(332.50)	7.14	(325.36)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. Details of dues to Micro, Small And Small Enterprises Development as defined under the MSMED Act, 2006

There are ₹ 18.09 crore are outstanding for more than 45 days during the year to Micro, Small and Medium Enterprises. 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.

(₹ in crore)

Particulars	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	
- Principal amount due to micro and small enterprises	18.09
- Interest due on above	0.91
Total	19.00
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	2.63
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.91
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	3.54

40. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, in respect of Income Tax ₹ 11.88 crore (2019: ₹ 3.10 crore), Value Added Tax and Entry Tax ₹ 2.03 crore (2019 : ₹1.75 crore), Letter of Credit ₹ 44.10 crore (2019: ₹ 143.06 crore) and Other money for which the Company is Contingently Liable, Bank Guarantees Given ₹ 10 crore, Corporate Guarantees Given ₹ 5,752.00 crore (2019: ₹ 5,752.00 crore), Custom Duty ₹ 9.54 crore.

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liabilities devolving on the Company. The company has not made any provision in respect of GST input credit disallowance / non payment by suppliers, since same will be recovered from vendors.

41. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. We are in compliance of the Supreme Court judgement. Therefore changes have been applied by the company w.e.f. April 2019 and salary has been disbursed with thi effect in August 2019.

42. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 42.13 crore (2019 : ₹ 87.21 crore).

43. The borrowing cost capitalized during the year ended March 31, 2020 was ₹ 66.68 (2019 : ₹ 56.47 crore).

44. Payment to the Auditor

(₹ in crore)

	2019-20	2018-19
Statutory Audit Fees	0.28	0.28
Certification & Consultation Fees	0.04	0.04
Total	0.32	0.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Expenditure on Corporate Social Responsibilities

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ Nil till FY 2019-20 on Corporate Social Responsibility (CSR) activities. Against it, the Company has during the year under review spent an amount of ₹ Nil towards CSR activities. In respect of CSR spending for the year under review, there are no amounts outstanding to be paid.

46. Security clause in respect to Secured Borrowings

(i) Non-Convertible Debentures

- a) ₹ Nil (2019: ₹ 200.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum.
- b) ₹ Nil (2019: ₹ 35.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum.
- c) ₹ Nil (2019: ₹ 300.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum.
- d) ₹ Nil (2019: ₹ 450.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum.
- e) ₹ 100.00 crore (2019: ₹ 197.50 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in two instalments as ₹ 40.00 crore in FY 2021-22 and ₹ 60.00 crore in FY 2022-23.
- f) ₹ 51.00 crore (2019: ₹ 51.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.75% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- g) ₹ 84.00 crore (2019: ₹ 84.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.80% per annum and are redeemable as per terms of issuance fully in FY 2023-24.
- h) ₹ 27.00 crore (2019: ₹ 27.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.50% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- i) ₹ 18.00 crore (2019: ₹ 18.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.55% per annum and are redeemable as per terms of issuance fully in FY 2023-24.
- j) ₹ 924.00 crore (2019: ₹ 949.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.60% per annum and are redeemable as per terms of issuance in two instalments as ₹ 369.60 crore in FY 2021-22 and ₹ 554.40 crore in FY 2022-23.
- k) ₹ 94.00 crore (2019: ₹ 94.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.28% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- l) ₹ 26.00 crore (2019: ₹ 26.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.17% per annum and are redeemable as per terms of issuance fully in FY 2022-23.
- m) ₹ 88.00 crore (2019: ₹ 88.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 8.80% per annum and are redeemable as per terms of issuance fully in FY 2022-23.
- n) ₹ 162.00 crore (2019: ₹ 162.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 8.91% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- o) ₹ 150.00 crore (2019: ₹ 150.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.25% per annum and are

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

redeemable as per terms of issuance in two installments as ₹ 60 crore in FY 2022-23 and ₹ 90 crore in FY 2023-24.

- p) ₹ 20.00 crore (2019: ₹ 20.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.40% per annum and are redeemable as per terms of issuance fully in FY 2022-23.
- q) ₹ 84.00 crore (2019: ₹ 84.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.50% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- r) ₹ 150.00 crore (2019: ₹ 150.00 crore) are secured by Personal Guarantee of Promoters and Corporate Guarantee of Promoter Entity, carries coupon rate of 9.25% per annum and are redeemable as per terms of issuance in three installments as ₹ 45 crore in FY 2021-22, ₹ 45 crore in FY 2022-23 and ₹ 60 crore in FY 2023-24.
- s) ₹ 300.00 crore (2019: ₹ 300 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.75% per annum and are redeemable as per terms of issuance in two installments as ₹ 120 crore in FY 2023-24 and ₹ 180 crore in FY 2024-25.
- t) ₹ 500.00 crore (2019: ₹ 500.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.00% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- u) ₹ 300.00 crore (2019: ₹ 300 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.15% per annum and are redeemable as per terms of issuance in two installments as ₹ 120 crore in FY 2023-24 and ₹ 180 crore in FY 2024-25.
- v) ₹ 500.00 crore (2019: ₹ 500 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.50% per annum and are redeemable as per terms of issuance fully in FY 2021-22.
- w) ₹ 250.00 crore (2019: ₹ 250 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.60% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- x) ₹ 200.00 crore (2019: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.15% per annum and are redeemable as per terms of issuance in two installments as ₹ 80 crore in FY 2024-25 and ₹ 120 crore in FY 2025-26.
- y) NCD from Financial Institution of ₹ 300.00 crore are secured by Corporate Guarantee of Future Retail Limited.

(ii) Term Loan from Banks

- a) ₹ Nil (2019 : ₹ 222.46 crore) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) except assets exclusively charged to other lenders.
- b) ₹ 385.08 crore (2019 : ₹ 336.22 crore) are secured by First Pari-Passu charge on tangible fixed assets (movable and immovable) present and future, of the company (excluding specific immovable properties).
- c) ₹ Nil (2019: ₹ 486.94 crore) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) excluding specific immovable properties.
- d) ₹ 100.81 crore (2019: ₹ 99.96 crore) are secured by First Pari-Passu charge on Tangible Fixed Assets (movable and immovable) present and future, of the company (excluding specific immovable properties). Lease rental receipts backed by guarantee from Future Retail Limited towards their lease obligation to pay Lease Rental to the company.

(iii) Working Capital Loans from Banks

- a) ₹ 515.82 crore (2019 : ₹ 274.67 crore) are secured by (a) First Pari-Passu Charge on Current Assets (present and future) of the company (b) Second Pari-Passu Charge on the Tangible Fixed Assets (present and future) of the company (excluding specific immovable properties) and (c) Corporate Guarantee of Future Retail Limited (d) First Pari-Passu Charge on all piece and parcel of lease land situated in G-6 MIDC Industrial Area, Tarapur.

(iv) Short Term Loan

- a) ₹ Nil (2019: ₹ 100.00 crore) are secured by Residual Charge on Tangible movable Fixed Assets and Current Assets, both present and future of the company.
- b) ₹ 67.36 crore (2019: ₹ Nil) are secured by Second Charge on Current Assets of the Company present and future and Post Dated Cheques.
- c) ₹ 90.85 crore (2019: ₹ Nil) are secured by Subservient charge on movable fixed and current assets of the company, both present and future.
- d) ₹ 120.00 crore (2019: ₹ Nil) are secured by Post Dated Cheques of ₹ 50 crore.
- e) Short Term Loans from Banks of ₹ 158.21 crore are secured by personal guarantee of promoter directors.
- (v) ₹ 497.00 crore Commercial Paper carries weighted average interest 10.21% p.a.
- (vi) Term Loans from Banks and other of ₹ 185.08 crore are secured by personal guarantee of promoter directors.
- (vii) Term Loans from Banks and Other of ₹ 200.00 crore are secured by Corporate Guarantee of Future Retail Limited.
- (viii) Term Loans from Banks are repayable as follows: ₹ 97.19 crore in FY 2020-21 (including Current Maturities of ₹ 95 crores and interest overdue of ₹ 2.18 crore), ₹ 113.75 crore in FY 2021-22, ₹ 151.25 crore in FY 2022-23, ₹ 75.00 crore in FY 2023-24, ₹ 41.25 crore in FY 2024-25 and ₹ 7.46 crore in FY 2025-26.
- (ix) Installments falling due in respect of all the above Loans (Term Loan & NCDs) upto 31.03.2021 aggregating ₹ 97.19 crore (including Current Maturities of ₹ 95 crores and interest overdue of ₹ 2.18 crore) have been grouped under Current Maturities of Long-Term Borrowings.
- (x) Weighted average rate of interest on the Term Loans is 10.83% p.a. (2019: 10.34% p.a.)
- (xi) Weighted average rate of interest on the Working Capital Loans from Banks is 9.55% p.a. (2019: 10.22% p.a.)
- (xii) Unsecured Public Deposit issued of ₹ 410.66 crores and deposit falling due upto 31.03.2021 aggregating to ₹ 81.20 crores

47. Particulars of Loans, Guarantee and Investment under Section 186(4) of the Companies Act, 2013

(₹ in crore)

S No.	Name	Purpose of Loan	Amount as at March 31, 2020 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2019 (Including Interest Accrued)	Maximum outstanding during the Previous year
A	Corporate Guarantee Given					
I	Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)- For Axis Bank Limited	To Secure Credit Facilities	2.00	Not Applicable	2.00	Not Applicable
II	Working Capital Consortium Banks of Future Retail Limited	To Secure Credit Facilities	5,750.00	Not Applicable	5,750.00	Not Applicable

48. Management has assessed the Intrinsic value of these investments and is of the opinion that the possible future gain from these investments is very high as compared to their cost even if the net worth of the companies have turned out to be negative. Management itself evaluated the intrinsic value of these investments. Accordingly no diminution in the value of these investment have been recorded in current year.

49. Details of Miscellaneous Expenses

(₹ in crore)

	2019-20	2018-19
Professional and Legal Fees	18.55	6.58
Travelling and Conveyance Expenses	5.32	7.46
Bank Charges	6.23	5.37
Labour Charges	2.33	3.36
Other Expenses	23.43	32.41
Total	55.86	55.18

50. The outbreak of Coronavirus (COVID-19) pandemic is one of the biggest social, health and economic impacts, faced by India and the World at large. The Government of India declared a national lock down on March 24, 2020, which has severely impacted the business activities of the Company. The nationwide lockdown to curb the spread of the pandemic situation had significantly impacted the Company's operational capabilities, as all the manufacturing were temporarily shut, as per the advisory issued by the respective local authorities /State/Central Governments, during the lockdown period. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards due to complete lockdown. The company has laid down the roadmap for New Normal with a strong focus on safeguarding the health and safety of its employees, customers and communities it serves. Various initiatives and SOPs have been rolled out by the Company to safeguard its assets. The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.
51. The Board of Directors of the Company at its meeting held on August 29, 2020 has *inter-alia*, considered and approved the Composite Scheme of Arrangement between 19 Transferor Companies with Future Enterprises Limited (Transferee Company) and their respective Shareholders and Creditors ("The Composite Scheme of arrangement' / 'scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The said Scheme shall be subject to requisite approvals of statutory / regulatory authorities, including those from the shareholders and creditors of the Transferor Companies and Transferee Company and other applicable contractual approvals. The said disclosure is available on the websites of the Stock Exchanges, viz., www.nseindia.com and www.bseindia.com and on the Company's website i.e., www.felindia.in.

As per our report of even date attached

For DMKH & CO.
Chartered Accountants
FRN 116886W

Shikha Kabra
Partner
Membership No.: 179437

Mumbai
September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani
Managing Director

Deepak Tanna
Company Secretary

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To,
The Members of
FUTURE ENTERPRISES LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Future Enterprises Limited ("the Holding Company"), its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), and includes the Group's share of profit in its associates and Jointly Controlled Entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated statement of Changes in Equity, the Consolidated Cash Flow Statement for the year ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the effects of the matter referred to in the Basis for Qualified Opinion paragraph, give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates and Jointly Controlled Entities as at March 31, 2020 and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section' of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

a. We draw your attention to the following qualification to the audit opinion of the financial statements of

Future Supply Chain Solutions Limited, a subsidiary of the holding company issued by an independent firm of Chartered Accountants vide its Report dated July 31, 2020 reproduced by us as under:

- i. Total trade receivables amounting to ₹ 83,260.29 lakhs includes related party receivables amounting to ₹ 72,547.19 lakhs as at March 31, 2020. During the year based on internal evaluation, the management has provided for additional loss allowance amounting to ₹ 1,576.24 Lakhs. There have been substantial delays in receipt from customers and subsequent receipts from have not been significant. In view of the above, we are unable to comment on the adequacy of loss provision, valuation and recoverability of balance outstanding amounting to ₹ 81,527.38 lakhs (net of provision ₹ 1,732.91 as at March 31, 2020).
- ii. During the year, the company has raised term loan from a bank amounting to ₹ 22,500 lakhs which has not been utilised for the purpose for which it was sanctioned and consequently used in normal course of business. In the absence of any clarity on non-compliance with the terms and conditions of sanction as well as breach covenants, we are unable to comment on the impact of aforesaid utilization and non-compliance on the financial statements.

- b. We draw your attention to the following qualification to the audit opinion of the financial statements of Leanbox Logistics Solutions Private Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated July 30, 2020 reproduced by us as under:

The Company is continuously suffering losses from operations with net loss for the year ended March 31, 2020 amounting to ₹ 40,97,24,322 and as of that date, the Company's accumulated losses amount to ₹ 13,41,09,098 as against Company's share capital of ₹ 1,35,64,560 and the networth of the Company has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However, the financials has not been prepared with such adjustments for the year ended March 31, 2020.

Emphasis of Matter

We draw attention to following matters:

- i. We draw attention to Note no. 46 of the consolidated financial statements which describes management's assessment of the impact of the COVID-19 pandemic on the consolidated financial statements of the Group.
- ii. In reference to deferred tax, the group has incurred loss before tax in current financial year 2019-20

amounting to ₹ 406.51 Cr but have not created any deferred tax asset. The group has reversed its deferred tax liability outstanding as on March 31, 2020 amounting to ₹ 37.00 Cr. The management is of the opinion that due to current business scenario there is no certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised and any gain arriving due to deferred tax will be adjusted in subsequent year. Our opinion is not modified in respect of this matter.

iii. The Emphasis of Matter paragraph to the report on audit of the financial statements of Future E-commerce Infrastructure Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated July 29, 2020 is reproduced as under:

“We draw attention to note 23 to the financial statements. As indicated therein, the Company’s accumulated losses of ₹ 18,452.95 lacs as at March 31, 2020 (Previous year ₹ 18,429.95 lacs) has fully eroded its net worth of ₹14571.24 lacs as at March 31, 2020 (Previous year ₹ 14571.23 lacs). The Company has negative cash flows from operating activities for the current year and positive for previous year, also the Company’s current liabilities exceeded its current assets as at the balance sheet date. The above matters indicate material uncertainty that gives rise to substantial doubts regarding the Company’s ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its Holding Company. These mitigating factors have been more fully discussed in note 23 of the accompanying financial statements. In view of the above, the management has prepared the financial statements on a going concern basis, and consequently, no adjustments have been made to the carrying values

or classification of balance sheet account. Our opinion is not qualified in respect of this matter.”

iv. The other matter para to the report on audit of financial statements of Ritvika Trading Private Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated July 29, 2020 is reproduced as under:

“We draw attention that:

During the year, the company has transferred ₹ 11,74,24,198/- (Previous Year -NIL) from Capital WIP to Profit & Loss Account (Other expenses). Had the company not charged the CWIP to Profit & Loss Account, the Loss for the year and accumulated Loss would have been lower by ₹ 11,74,24,198/- (Previous Year - NIL) and CWIP higher by 11,74,24,198/- (Previous Year-NIL)”

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and Jointly Controlled Entities, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our Audit
<p>Implementation of IND AS 116 – Lease</p> <p>Disclosure of leases requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Group has applied the Modified retrospective approach to ongoing leases as of April 1, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 44.79 crores (net of taxes) in retained earnings. As at March 31, 2020, the Company has ₹ 329.13 crores of Right of use assets and ₹ 415.13 crores of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p>Our audit procedures in respect of implementation of Ind-AS 116 included the following:</p> <ul style="list-style-type: none"> Assessed the accounting policies with respect to recognition of leases and for assessing compliance with Ind AS 116; Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to accounting of leases under Ind AS 116; Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved; Assessed the underlying assumptions and estimates including the appropriateness of the discount rates; We also assessed the Company’s disclosures made in accordance with the requirements of Ind AS 116.

The Key Audit Matter	How the matter was addressed in our Audit
Implementation of IND AS 116 – Lease	
Related Party Transactions	
<p>The Company has significant transactions with related parties which includes sale of products, services, rent, loans and advances given.</p> <p>Company's major portion of total revenue comes from related party.</p> <p>Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Performed test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements / contracts and recording in books of account;</p> <ul style="list-style-type: none"> • Read contracts and agreements with related parties to understand the nature of the transactions; • Assessed the disclosures made in the standalone Ind AS financial statements as per Ind AS 24.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, jointly controlled entities and associates audited by the other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, jointly controlled entities and associates, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its jointly controlled entities and associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included

in the Group and of its jointly controlled entities and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities and associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its jointly controlled entities and associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities and associates are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities and associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities

included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit, the financial statements and other financial information in respects of 8 subsidiaries, whose financial information reflects total assets of ₹ 2,109.94 crores as at March 31, 2020 and total revenues of ₹ 1,295.72 crores for the year ended on that date respectively and the financial statements of 2 joint ventures and 2 associate which reflects Group's share of net profit of ₹ 33.54 crores and net loss of ₹ 3.79 crores for the year ended on March 31, 2020 respectively. These financial statements and other financial information have been audited by other auditors whose reports have been furnish to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries, joint ventures and associates, is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

The statement includes unaudited financial statements of 4 joint ventures whose financial statements reflects the Group's share of net profit of ₹ 4.01 crores for the year ended on March 31, 2020, which are certified by the management. These financial statements are furnished to us by the management and our report in so far as it relates to the amounts included of these subsidiary and joint ventures are based solely on such unaudited financial statements.

During the current financial year 2019-20, Office Shop Private Limited and Vulcan Express Private Limited has seized as a subsidiary from March 5, 2020 and December 12, 2019 respectively. The Groups share of loss of ₹ 1.42 crores of Office Shop Private Limited and ₹ 1.04 crores from Vulcan Express Private Limited until the date of seizure as subsidiary have been taken in the statement. Further the values of Office Shop Private Limited is taken from the Audited Financial Statements provided by the management, whereas in case of Vulcan Express Private Limited the values have taken from unaudited financial statements provided to us by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the subsidiaries, jointly controlled entities and associates referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31,

2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entities and associate companies incorporated in India, none of the directors of these entities is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the holding company, subsidiary companies, associate companies and jointly controlled companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its jointly controlled entities and associates (Refer Note 43 to the Consolidated Financial Statements).
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, Subsidiary Companies, Jointly Controlled Entities and Associate Companies during the year ended March 31, 2020.

For **DMKH & Co.**
Chartered Accountants
FRN : 116886W

Shikha Kabra
Partner

Place : Mumbai Membership Number: 179437
Date : September 07, 2020 UDIN: 20179437AAAAAL1770

Annexure – A to the Independent Auditors' Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of FUTURE ENTERPRISES LIMITED (hereinafter referred to as the "Holding Company") and its Subsidiary Companies, its jointly controlled entities and associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies, jointly controlled entities and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, jointly controlled entities and associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, jointly controlled entities and associates, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiaries, associates and jointly controlled entities internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of the company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions,

or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, jointly controlled entities and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 8 Subsidiary Companies, 2 Joint Ventures entities and 2 Associates, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 4 joint venture companies, whose financial information is unaudited and whose efficacy of internal financial controls over financial reporting is based solely on the Management's certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as the financial information of such entities is not material to the Group.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors and the financial information certified by the Management.

For **DMKH & Co.**
Chartered Accountants
FRN : 116886W

Shikha Kabra
Partner

Place : Mumbai Membership Number: 179437
Date : September 07, 2020 UDIN: 20179437AAAAAL1770

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As At March 31, 2020	(₹ in crore) As At March 31, 2019
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	2	7,280.09	7,206.24
Capital Work-in-Progress	2	629.91	597.48
Intangible Assets	2	747.25	216.89
Right to Use of Assets	41	329.13	-
Financial Assets			
Investments	3	1,090.75	956.69
Net Investment on Sublease	41	44.84	-
Loans	4	333.20	178.05
Other Financial Assets	5	56.08	56.08
Other Non-Current Assets	6	453.29	528.86
Total Non-Current Assets		10,964.54	9,740.29
2. Current Assets			
Inventories	7	1,207.23	1,261.77
Financial Assets			
Investments	8	0.01	0.01
Trade Receivables	9	2,295.55	896.15
Cash and Cash Equivalents	10	7.41	141.41
Bank Balances Other than The Above	11	22.61	26.05
Loans	12	14.62	52.02
Other Financial Assets	13	427.40	57.44
Other Current Assets	14	726.47	907.50
Total Current Assets		4,701.30	3,342.35
Total Assets		15,665.84	13,082.64
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	98.86	98.71
Instruments Entirely Equity In Nature	16	15.16	15.40
Other Equity	17	4,039.84	4,173.32
Total Equity		4,153.86	4,287.43
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	4,753.26	6,114.77
Other Financial Liabilities	19	428.58	662.13
Lease Liability	41	295.80	-
Provisions	20	14.91	12.94
Deferred Tax Liabilities (Net)	36	-	36.86
Total Non-Current Liabilities		5,492.55	6,826.70
2. Current Liabilities			
Financial Liabilities			
Borrowings	21	1,380.14	392.10
Trade Payables	21		
Due to Micro, Small and Medium Enterprises		25.42	27.38
Due to Others		1,279.95	958.35
Other Financial Liabilities	23	546.43	460.51
Lease Liability		119.34	-
Provisions	24	2.22	8.05
Other Current Liabilities	25	2,665.93	122.11
Total Current Liabilities		6,019.43	1,968.51
Total Equity and Liabilities		15,665.84	13,082.64
The accompanying notes are an integral part of the financial statements.	1-47		

As per our report of even date attached

For and on behalf of Board of Directors

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra

Partner
Membership No.: 179437

Mumbai

September 07, 2020

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Revenue From Operations	26	5,365.66	5,983.14
Other Income	27	67.40	81.82
Total Income		5,433.06	6,064.96
EXPENSES			
Cost of Materials and Services Consumed	28	843.90	961.30
Purchase of Stock-In-Trade	29	2,710.49	3,289.14
Change in Inventories of Finished Goods, Work-in-Progress and Stock- in-Trade (Increase) / Decrease	30	47.43	(158.69)
Employee Benefits Expense	31	215.82	234.13
Finance Costs	32	719.03	597.62
Depreciation and Amortization Expense	2 & 41	1,033.72	815.58
Other Expenses	33	211.35	192.85
Total Expenses		5,781.74	5,931.93
Profit / (Loss) Before Exceptional Items, tax and share of Associate and Joint Ventures		(348.68)	133.03
Exceptional Item		(71.38)	-
Profit / (Loss) Before tax and Share of Profit From Associate and Joint Ventures		(420.06)	133.03
Share of Profit From Associate and Joint Ventures		13.55	20.63
Profit / (Loss) Before Tax		(406.51)	153.66
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		(37.00)	(21.78)
Net Profit / (Loss) For The Year		(369.51)	175.44
Net profit / (Loss) Attributable To :			
Equity Holders of The Parent		(331.33)	144.96
Non-Controlling Interest		(38.18)	30.48
Other Comprehensive Income For The Year			
Items that will not be Re - Classified to Profit & Loss Account			
Other Comprehensive Income	34	(13.62)	13.26
Share of OCI from Associate and Joint Ventures		23.72	0.64
Total Comprehensive Income For The Year (Net of Taxes)		10.10	13.90
Other Comprehensive Income Attributable To :			
Equity Holders of The Parent		10.77	13.90
Non-Controlling Interest		(0.68)	-
Total Comprehensive Income For The Year		(359.41)	189.34
Earnings Per Equity Share of Face Value of ₹ 2/- each			
	40		
Basic - Equity Share		(6.71)	2.93
Basic - Class B (Series 1) Share		(6.71)	2.97
Diluted - Equity Share		(6.71)	2.93
Diluted - Class B (Series 1) Share		(6.71)	2.97
The accompanying notes are an integral part of the financial statements.	1-47		

As per our report of even date attached

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra

Partner
Membership No.: 179437

Mumbai

September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	As At March 31, 2020	As At March 31, 2019
(A) EQUITY SHARE CAPITAL		
Opening Balance	98.71	98.67
Change During The Year		
Issue of Equity Shares Under Employee Stock Option Scheme	0.15	0.04
Closing Balance	98.86	98.71
(B) INSTRUMENTS ENTIRELY EQUITY IN NATURE		
Preference Share Capital		
Opening Balance	15.40	15.40
Change During The Year	(0.24)	-
Closing Balance	15.16	15.40
(C) OTHER EQUITY		
Retained Earnings		
Opening Balance	382.72	336.00
Profit For The Year	(331.33)	144.96
Adjustment / Restatement on Account of Subsidiary	299.28	(59.70)
Proposed Dividend on Equity Shares	(3.48)	(2.78)
Transferred to Debenture Redemption Reserve	-	(49.02)
Re-measurement Gains/ (Losses) on Defined Benefit Plans	(12.94)	13.26
Transition Effect (IND AS 116 Impact)	(44.79)	-
Closing Balance	289.46	382.72
Reserve for fair Value Through to Other Comprehensive Income (FVTOCI)		
Opening Balance	0.64	0.00
Fair Value Changes On Investments	23.71	0.64
Closing Balance	24.35	0.64
Capital Reserve		
Opening Balance	17.14	0.00
Adjustment / Restatement on Account of Subsidiary	(17.14)	17.14
Closing Balance	-	17.14
Securities Premium		
Opening Balance	2,987.36	2,987.02
Change During The Year		
Issue of Equity Shares	1.09	0.34
Adjustment on account of Subsidiary	(135.52)	-
Closing Balance	2,852.93	2,987.36

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	As At March 31, 2020	As At March 31, 2019
Share Options Outstanding Account		
Opening Balance	10.03	3.79
Change During The Year		
Expense on Employee Stock Option Scheme	6.97	7.34
Exercise of Stock Options	(1.09)	(0.34)
Transfer to Securities Premium on exercise of ESOP	(0.40)	(0.76)
Closing Balance	15.51	10.03
Capital Reserve on Consolidation		
Opening Balance	41.40	41.40
Change During The Year	(5.69)	-
Closing Balance	35.71	41.40
Non - Controlling Interest		
Opening Balance	278.52	202.53
Change During The Year	115.40	75.99
Closing Balance	393.92	278.52
Debenture Redemption Reserve		
Opening Balance	317.15	268.13
Add : Transfer From Profit & Loss Account	-	49.02
Closing Balance	317.15	317.15
Promoter Equity Contribution		
Opening Balance	27.55	20.21
Change During The Year	(27.55)	7.34
Closing Balance	-	27.55
General Reserve		
Opening Balance	110.82	110.82
Closing Balance	110.82	110.82
TOTAL OTHER EQUITY	4,039.84	4,173.32

As per our report of even date attached

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra

Partner
Membership No.: 179437

Mumbai

September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in crore)

	Year Ended March 31, 2020	Year Ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(348.68)	133.03
Adjusted for :		
Depreciation and Amortization Expense	1,033.72	815.58
Finance Costs	719.03	597.62
Profit on Sale of Investments	-	(48.87)
Loss on Sale of Investments	5.46	-
Expense on Employee Stock Option Scheme	6.97	7.34
Loss on Disposal/Discard of Fixed Assets (Net)	17.68	5.13
Dividend Income	-	(0.00)
Interest Income	(44.98)	(25.97)
Allowances For Bad and Doubtful Debts	3.70	3.75
Operating Profit Before Working Capital Changes	1,392.89	1,487.61
Adjusted for :		
Trade Receivables	(1,403.10)	(122.69)
Other Financial Assets and Other Assets	(164.57)	(463.26)
Inventories	54.54	(164.47)
Trade Payables	319.63	230.09
Other Financial Liabilities, Other Liabilities and Provisions	2,383.35	244.45
Cash Generated From Operations	2,582.75	1,211.75
Share in Profit/(Loss) of Joint Ventures and Associate Company	(13.55)	(30.48)
Share in Minority Interest	115.40	75.99
Adjustment on Account of Subsidiary Include in Consolidation	(163.77)	(59.70)
Taxes Paid	(63.11)	(72.71)
Net Cash Flow From Operating Activities	2,457.72	1,124.85
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Property, Plant and Equipment and Intangible Assets	(1,691.68)	(1,497.25)
Sale/(Purchase) of Investments	(128.74)	40.35
Interest Income	44.98	25.97
Net Cash Used In Investing Activities	(1,775.44)	(1,430.92)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	307.55	6.62
Payment of lease liability	(27.84)	-
Proceeds from Borrowings	(373.48)	938.97
Dividend Paid (Including Dividend Distribution Tax)	(3.48)	(2.78)
Interest Paid	(719.03)	(597.62)
Net Cash From / (Used in) Financing Activities	(816.28)	345.19
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(134.00)	39.12
Net Increase / (Decrease) In Cash And Cash Equivalents	(134.00)	39.12
Cash and Cash Equivalents (Opening Balance)	141.41	102.29
Cash and Cash Equivalents (Closing Balance)	7.41	141.41

As per our report of even date attached

For DMKH & CO.
Chartered Accountants
FRN 116886W
Shikha Kabra
Partner
Membership No.: 179437

Mumbai
September 07, 2020

For and on behalf of Board of Directors

Vijay Biyani
Managing Director

Deepak Tanna
Company Secretary

Dinesh Maheshwari
Executive Director &
Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Company Overview And Significant Accounting Policies

1.1 Overview

Future Enterprises Limited ('the company or parent ') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956 on October 12, 1987. The Company, its Subsidiaries, Joint Ventures and Associate collectively refer to as a 'Group'.

The Group engaged in the business of manufacturing, trading, leasing of assets, logistics services and joint ventures with Life and Non Life Insurance services.

The Group has its registered office at Mumbai, Maharashtra, India. The Group has its primary listings on the National Stock Exchange of India Limited and BSE Limited.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on September 07, 2020

1.2 Basis of Preparation and Presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention method on accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.3 Basis of Consolidation

The Group consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group, it controlled its subsidiaries, associates and joint venture.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates and joint ventures are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

1.4 Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	:	30 years
Plant and Equipment	:	15 years
Office Equipment*	:	3 to 6 years
Furniture And Fixture	:	10 years
Electrical Installation and Equipment	:	10 years
Vehicles	:	10 years
Leasehold Improvement*	:	Lease term or 15 Years, whichever is lower

**Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life not exceeding ten years and assessed for impairment whenever there is an indication that the Intangible assets may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

An item of Intangible Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.7 Goodwill

Goodwill on acquisition of Subsidiaries and Joint Ventures is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

1.8 Impairment of Assets

(i) Financial Assets

The Group recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in such case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Non-Financial Assets

(a) Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

1.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.10 Financial Instruments

(i) Initial Recognition and Measurement

The Group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

(ii) Subsequent Measurement

a) Non-Derivative Financial Instruments

(i) Financial Assets Carried At Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Assets At Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Investments in Associates and Joint Venture

Investments in Associates and Joint Venture are carried at cost.

(iv) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(v) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b) Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial Assets or Liabilities, at Fair Value Through Profit or Loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

1.11 Current Versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.12 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Input for the asset or liability that are not based on observable market data (unobservable inputs).

1.13 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

1.14 Employee Benefits

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

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the statement of profit and loss.

1.15 Share-Based Payment

The Group recognizes compensation expense relating to share-based payments in statement of profit and loss, using fair-value. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.16 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

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1.17 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.18 Revenue recognition

Revenue is recognised on a fair value basis to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Sale of goods

Revenue from sale of goods is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and excludes value added tax and Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns and allowances.

(ii) Revenue from Sale of Services

Revenue from Sale of services are recognised as they are rendered based on arrangements with the customers.

(iii) Lease Income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight - line basis as per the terms of the agreements in the statement of profit or loss.

(iv) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

1.19 Foreign Currency Transactions

(i) Functional Currency

Consolidated financial statements of the Group's are presented in Indian Rupees (₹), which is also the functional currency.

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.20 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Buildings (leased stores). The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-to-use of asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right to use of assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

1.21 Taxes on Income

Income tax comprises current and deferred income tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

or the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.22 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

1.23 Borrowing Costs

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant And Equipment

(₹ in crore)

Tangible Assets (Owned)	Land	Leasehold Improve-ment	Building	Plant and Machin-ery	Computer	Furniture and Fitting	Office Equipment	Vehicle	Total	Capital Work-in-Progress
Cost :										
As At April 1st, 2019	33.89	2,109.03	7.53	1,700.48	69.51	5,676.48	350.90	8.93	9,956.75	597.48
Additions	-	142.13	-	226.83	18.31	544.78	126.33	-	1,058.38	32.43
Disposals / Transfers	28.13	23.09	-	12.41	9.67	74.98	22.59	0.10	170.97	-
As At March 31, 2020	5.76	2,228.07	7.53	1,914.90	78.15	6,146.28	454.65	8.83	10,844.16	629.91
Accumulated Depreciation :										
As At April 1st, 2019	20.39	363.52	0.68	347.12	22.04	1,789.60	201.73	5.43	2,750.50	-
Depreciation Charged For The Year	0.01	117.32	0.15	117.80	19.03	561.47	57.16	1.15	874.09	-
Disposals / Transfers	20.31	3.95	-	3.93	4.93	23.72	3.62	0.06	60.52	-
As At March 31, 2020	0.09	476.88	0.82	460.99	36.14	2,327.35	255.27	6.52	3,564.07	-
Net Book Value										
As At March 31, 2020	5.67	1,751.18	6.71	1,453.90	42.01	3,818.94	199.37	2.31	7,280.09	629.91
As At March 31, 2019	13.49	1,745.51	6.85	1,353.36	47.47	3,886.88	149.17	3.51	7,206.24	597.48

Other Intangible Assets

(₹ in crore)

	Computer Software	Brands / Trademarks	Total
Cost			
As At April 1st, 2019	10.43	216.73	227.16
Additions	30.86	545.67	576.53
Disposals / Transfers	7.66	-	7.66
As At March 31, 2020	33.63	762.40	796.03
Accumulated Amortisation			
As At April 1st, 2019	7.89	2.38	10.27
Amortisation Charged For The Year	2.22	42.76	44.98
Disposals / Transfers	6.47	-	6.47
As At March 31, 2020	3.63	45.14	48.78
Net Book Value			
As At March 31, 2020	30.00	717.25	747.25
As At March 31, 2019	2.54	214.35	216.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3 Non-Current Financial Assets-Investments

(₹ in crore)

	As At March 31, 2020	As At March 31, 2019
Quoted Investments		
Investment in Equity Instruments		
Others		
100 Equity Shares of Future Consumer Limited of ₹ 6/- each (Formerly Known as Future Consumer Enterprise Limited)	0.00	0.00
61,22,935 (49,37,935) Equity Shares of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	10.50	19.34
Associate		
Investment in Equity Instruments		
Unquoted Investments		
Investment in Equity Instruments		
Nil (1,78,500) Equity Share of ₹ 10 Each of Leanbox Logistics Solutions Private Limited	-	4.93
Joint Ventures		
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	96.58	92.48
23,07,80,872 (20,65,50,000) Equity Shares of Future Generali India Insurance Company Limited	262.12	204.32
16,69,54,012 (11,64,61,781) Equity Shares of Future Generali India Life Insurance Company Limited	100.28	79.87
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	91.85	88.41
29,70,64,566 (24,86,05,660) Equity Shares of Sprint Advisory Services Private Limited	295.35	272.72
13,50,29,966 (11,18,44,321) Equity Shares of Shendra Advisory Services Private Limited	134.01	110.86
Associates		
20,93,288 (NIL) Equity Shares of Work Store Limited	19.19	-
7,11,74,377 partly paid Equity Shares of Livquik Technology (India) Private Limited of ₹ 1/- each	9.58	5.00
In Preference Shares		
Others		
6,30,000 9 % Redeemable Preference Shares of Praxis Home Retail Limited of ₹ 100 Each	0.00	0.00
Others		
Nil (19,833) Convertible Debentures of ₹ 10 Each of Leanbox Logistics Solutions Private Limited	-	1.00
34,15,000 (38,00,000) Compulsory Convertible Debentures of ₹ 30/- each of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	10.25	11.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As At March 31, 2020	As At March 31, 2019
Non - Trade Investments Paid Up of ₹ 10/- each Unless Otherwise Stated		
Equity Instruments		
Unquoted		
Others		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less: Provision	(0.08)	(0.08)
Nil (47,71,037) Equity Shares of Pan India Food Solutions Limited	-	5.38
5,79,771 (5,79,771) Equity Shares of Planet Retail Holdings Private Limited	3.13	3.13
Investment in Government or Other Securities		
Quoted		
3,00,000 9% Bonds of Mahindra & Mahindra Financial Services Limited	31.13	31.13
200 8.45% Bonds of Bajaj Finance Limited	20.13	20.13
60 8.75% Bonds of Bajaj Finance Limited	6.07	6.07
Unquoted		
National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.05
LIC Mutual Fund Liquid Plan	0.52	0.47
50 Equity Shares of Saraswat Co-Operating Bank Limited	0.00	0.00
	1,090.75	956.69
Note:		
Investment Carried At Fair Value Through Other Comprehensive Income		
Aggregate Amount of Quoted Investments	67.84	76.68
Market Value of Quoted Investments	67.84	76.68
Aggregate Amount of Unquoted Investments	1,022.92	1,075.78
Aggregate Amount of Diminution in Value of Investments	0.08	0.08
4 Non-Current Financial Asset - Loans		
Unsecured, Considered Good		
Others Unsecured, Considered Good	333.20	178.05
	333.20	178.05
5 Non-Current Financial Assets - Others		
Deposit with Banks	56.08	56.08
	56.08	56.08
6 Other - Non Current Assets		
Capital Advances		
Others Unsecured, Considered Good	42.17	227.95
Others		
Others Unsecured, Considered Good*	411.12	300.91
Doubtful	0.23	0.23
Less: Provisions	(0.23)	(0.23)
(* Includes Balances with Government Authorities.)		
	453.29	528.86

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As At March 31, 2020	As At March 31, 2019
7	Inventories		
	Raw Material	9.72	1.76
	Work-in-Progress	5.07	6.11
	Stock-in-Trade	1,192.44	1,253.90
		<u>1,207.23</u>	<u>1,261.77</u>
8	Current Financial Asset - Investments		
	Quoted Investments		
	National Saving Certificate	0.01	0.01
		<u>0.01</u>	<u>0.01</u>
9	Trade Receivables (Refer Note No. 35)		
	Unsecured, Considered Good	2,295.55	896.15
	Unsecured, Considered Doubtful	22.25	9.53
	Less: Provision For Doubtful Debts	-	(0.71)
	Less: Allowance For Credit Losses	(22.25)	(8.82)
		<u>2,295.55</u>	<u>896.15</u>
10	Cash And Cash Equivalents		
	Balances with Banks	6.98	141.14
	Cheque on Hand	-	0.25
	Cash on Hand	0.43	0.02
		<u>7.41</u>	<u>141.41</u>
11	Bank Balance Other Than The Above		
	Dividend Account	0.19	0.88
	Deposits with Banks*	22.42	25.17
		<u>22.61</u>	<u>26.05</u>
	*Held as margin money or security against the Borrowings, Guarantees and other Commitments.		
12	Current Financial Assets - Loans		
	Unsecured , Considered Good	14.62	39.02
	Inter-Corporate Deposits	-	13.00
		<u>14.62</u>	<u>52.02</u>
13	Current Financial Assets - Others		
	Unsecured, Considered Good	427.40	57.44
	Doubtful	-	1.07
	Less: Provisions	-	(1.07)
		<u>427.40</u>	<u>57.44</u>
14	Other Current Assets		
	Insurance Claim Receivables	0.02	0.81
	Income Accrued / Interest Accrued But Not Received	0.04	3.59
	Other Advances #	726.41	903.10
		<u>726.47</u>	<u>907.50</u>
	#Includes Advance to Suppliers, Prepaid Expenses etc.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

15 Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in crore)	Number	(₹ in crore)
Authorised				
Equity Shares of ₹ 2/- each	60,00,00,000	120.00	60,00,00,000	120.00
Equity Shares of Class B (Series -1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
	65,00,00,000	130.00	65,00,00,000	130.00
Issued *				
Equity Shares of ₹ 2/- each	45,50,26,279	91.01	45,43,13,146	90.86
Equity Shares of Class B (Series -1) of ₹ 2/- each	3,93,83,172	7.88	3,93,83,172	7.88
	49,44,09,451	98.88	49,36,96,318	98.74
Subscribed and Paid up *				
Equity Shares of ₹ 2/- each	45,49,30,401	90.99	45,42,17,268	90.84
Equity Shares of Class B (Series -1) of ₹ 2/- each	3,93,74,679	7.87	3,93,74,679	7.87
	49,43,05,080	98.86	49,35,91,947	98.71

*Refer Note No 15 (v)

(i) Reconciliation of Number of shares

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of Shares	Number of Shares
Opening Balance	45,42,17,268	45,39,97,068
Add : Shares Issued*	7,13,133	2,20,200
Closing Balance	45,49,30,401	45,42,17,268

* 7,13,133 (2019 : 2,20,200) equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme

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

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
Opening Balance	3,93,74,679	3,93,74,679
Shares Issued	-	-
Closing Balance	3,93,74,679	3,93,74,679

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Terms/Rights Attached to Equity Shares

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

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

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

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

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

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

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

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

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Central Departmental Stores Private Limited	20,28,49,049	44.59	20,01,11,430	39.18
Bennett, Coleman and Company Limited	5,89,09,916	12.95	5,89,09,916	12.97
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	2,78,20,408	6.12	2,78,20,408	6.13
Brand Equity Treaties Limited	2,49,99,999	5.50	2,49,99,999	5.51
Equity Shares of Class B (Series 1)				
Central Departmental Stores Private Limited	2,54,41,753	64.61	2,54,41,753	64.61
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	28,79,503	7.31	28,79,503	7.31

(v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.

- 11,400 Equity Shares of Rights Issue of 2006.
- 84,478 Equity Shares of Rights Issue of 2015.
- 8,493 Equity Shares of Class B (Series-1) of Rights Issue of 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As At March 31, 2020	As At March 31, 2019
16	Instruments Entirely Equity In Nature		
	Preference Share Capital		
	Opening Balance	15.40	15.40
	Purchase (Redemption) of Preference Shares	(0.24)	-
	Closing Balance	15.16	15.40
17	Other Equity		
	Retained Earnings		
	Opening Balance	382.72	336.00
	Profit For The Year	(331.33)	144.96
	Adjustment / Restatement on Account of Subsidiary	299.28	(59.70)
	Transferred to Debenture Redemption Reserve	-	(49.02)
	Proposed Dividend on Equity Shares	(3.48)	(2.78)
	Re-measurement Gains/ (Losses) on Defined Benefit Plans	(12.94)	13.26
	Transition Effect (IND AS 116 Impact)	(44.79)	-
	Closing Balance	289.46	382.72
	Reserve for fair Value Through to Other Comprehensive Income (FVTOCI)		
	Opening Balance	0.64	-
	Fair Value Changes On Investments	23.71	0.64
	Closing Balance	24.35	0.64
	Capital Reserve		
	Opening Balance	17.14	0.00
	Adjustment / Restatement on Account of Subsidiary	(17.14)	17.14
	Closing Balance	-	17.14
	Securities Premium		
	Opening Balance	2,987.36	2,987.02
	Change During The Year		
	Issue of Equity Shares	1.09	0.34
	Adjustment on account of Subsidiary	(135.52)	-
	Closing Balance	2,852.93	2,987.36
	Share Options Outstanding Account		
	Opening Balance	10.03	3.79
	Change During The Year		
	Expense on Employee Stock Option Scheme	6.97	7.34
	Exercise of Stock Options	(1.09)	(0.34)
	Transfer to Securities Premium on exercise of ESOP	(0.40)	(0.76)
	Closing Balance	15.51	10.03

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As At March 31, 2020	As At March 31, 2019
Capital Reserve on Consolidation		
Opening Balance	41.40	41.40
Adjustment / Restatement on Account of Subsidiary	(5.69)	-
Closing Balance	35.71	41.40
Non - Controlling Interest		
Opening Balance	278.52	202.53
Change During the Year	115.40	75.99
Closing Balance	393.92	278.52
Debenture Redemption Reserve		
Opening Balance	317.15	268.13
Add : Transfer from Profit & Loss Account	-	49.02
Closing Balance	317.15	317.15
Promoter Equity Contribution		
Opening Balance	27.55	20.21
Change During The Year	(27.55)	7.34
Closing Balance	-	27.55
General Reserve		
Opening Balance	110.82	110.82
Transfer During The Year	-	-
Closing Balance	110.82	110.82
TOTAL OTHER EQUITY	4,039.84	4,173.32

Nature and Purpose of Reserves :

a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

b) Capital Reserve

Capital Reserve reflect amounts arising out of adjustment pursuant to giving effect to various schemes of arrangements.

c) Debenture Redemption Reserve

Debenture Redemption Reserve is created out of profits of the company and is to be utilised to redemption of Debentures only.

d) General Reserve

The General Reserve is mainly created/built by the Company from time to time by transferring the profits from retained earnings. This reserve can be utilised for various purposes in compliance with applicable provisions of the Companies Act, 2013 and rules made there under

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As At March 31, 2020	As At March 31, 2019
18	Non-Current Financial Liabilities - Borrowings		
	Secured Loans		
	Non Convertible Debentures	4,215.99	5,126.94
	Long Term Loan From Banks / Others	531.37	984.80
	Unsecured Loans		
	Non Convertible Debentures	4.04	2.03
	Compulsory Convertible Debenture	1.86	1.00
		4,753.26	6,114.77
19	Non-Current - Financial Liabilities - Others		
	Deposits Received From Others	99.11	624.26
	Public Deposit	329.47	37.87
		428.58	662.13
20	Non-Current Liabilities - Provisions		
	Long Term Provision For Employee Benefits	14.91	12.94
		14.91	12.94
21	Current Financial Liabilities - Borrowings		
	Secured		
	Term Loans From Banks	278.20	100.00
	Working Capital Loans and Others	604.94	292.10
	Commercial Paper	497.00	-
		1,380.14	392.10
22	Current Financial Liabilities - Trade Payables		
	Trade Payables		
	Due to Micro, Small and Medium Enterprises	25.42	27.38
	Due to Others	1,279.95	958.35
		1,305.37	985.73
23	Current - Other Financial Liabilities		
	Current Maturities of Long-Term Borrowings	233.01	166.25
	Current Maturities of Public Deposits	81.20	6.43
	Interest Accrued But Not Due on Borrowings	174.75	225.50
	Unclaimed Dividend*	0.28	0.27
	Other Payables#	57.19	62.06
		546.43	460.51
	* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund .		
	# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc.		
24	Current Provisions		
	Short Term Provision For Employee Benefits	1.53	0.58
	Other Provisions	0.69	7.47
		2.22	8.05
25	Other Current Liabilities		
	Advance From Customers	2,560.00	2.13
	Other Payables *	105.93	119.98
	*Other Payables includes Statutory Dues, Deferred Interest etc.	2,665.93	122.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		Year Ended March 31, 2020	Year Ended March 31, 2019
26	Revenue From Operations		
	Sale of Products	3,579.33	4,198.98
	Sale of Services	1,198.88	1,229.77
	Less: Goods and Service Tax	(175.20)	(189.79)
	Other Operating Revenues	762.65	744.18
		5,365.66	5,983.14
27	Other Income		
	Interest Income	44.98	25.97
	Profit on Sale of Investment	-	48.87
	Excess Provisions/Liabilities Written Back	9.03	1.02
	Miscellaneous Income	13.39	5.96
		67.40	81.82
28	Cost of Materials and Services Consumed		
	Cost of Materials and Services Consumed	843.90	961.30
		843.90	961.30
29	Purchases of Stock-In-Trade		
	Purchases of Stock-In-Trade	2,710.49	3,289.14
		2,710.49	3,289.14
30	Changes In Inventories of Work-In-Progress And Stock- In-Trade		
	Changes in Inventories of and Work-In-Progress :		
	Closing Inventory :		
	Work-in-Progress	5.07	6.11
	Stock-In-Trade	1,201.79	1,248.37
		1,206.86	1,254.48
	Opening Inventory :		
	Work-in-Progress	6.11	5.96
	Stock-In-Trade	1,248.18	1,089.83
		1,254.29	1,095.79
		47.43	(158.69)
31	Employee Benefits Expense		
	Salaries, Wages and Bonus	192.52	211.53
	Contribution to Provident and Other Funds	10.72	8.99
	Employee Stock Option Expense	6.97	7.34
	Staff Welfare Expenses	5.61	6.27
		215.82	234.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		Year Ended March 31, 2020	Year Ended March 31, 2019
32	Finance Costs		
	Interest Expense	688.42	593.51
	Other Borrowing Costs	30.61	4.11
		719.03	597.62
33	Other Expenses		
	Power and Fuel	23.78	24.23
	Rent including Lease Rentals	12.09	25.74
	Repairs and Maintenance	12.06	14.52
	Insurance	6.54	5.56
	Rates and Taxes	5.71	6.26
	Labour Charges	0.32	0.36
	Advertisement and Marketing	0.37	0.60
	Loss on Disposal / Discard of Fixed Assets (Net)	17.68	5.13
	Loss on Sale of Investment	5.46	-
	Provision For Doubtful Debts / Advances	0.46	0.99
	Allowance For Credit Loss / Bad Debts	13.84	2.76
	Sundry Balances Written Off	0.02	0.07
	Corporate Social Responsibility Expenses	0.53	1.27
	Exchange Fluctuation Loss / (Gain) (Net)	3.30	6.31
	Miscellaneous Expenses	109.19	99.05
		211.35	192.85
34	Other Comprehensive Income		
	Re-measurement Gains/ (Losses) on Defined Benefit Plans	(2.00)	2.27
	Fair Value Changes on Investment	(11.62)	10.99
		(13.62)	13.26

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35 Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manage market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

(ii) Foreign Currency Risk

The Group are exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

The following table analysis foreign currency risk from financial instruments as of:

	(₹ in crore)	
	2019-20	2018-19
Trade Payables	18.08	3.30
Trade Receivables	0.65	11.15

(iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 2295.55 crore and ₹ 896.15 crore as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grant credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

(iv) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Group ensure that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	(₹ in crore)	
	2019-20	2018-19
Short-Term Borrowings	1,380.14	392.10
Trade Payables	1,305.37	985.73
Other Financial Liabilities	546.43	460.51

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in crore)

Particulars	As At March 31, 2020			As At March 31, 2019		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	2,295.55			896.15	-	-
Cash and Bank Balances	30.02			167.47	-	-
Loans	347.82			230.06	-	-
Other Financial Assets	483.48			113.51	-	-
At FVTOCI						
Investments	81.79	67.84	13.95	97.11	76.68	20.43
Financial Liabilities						
At Amortised Cost						
Borrowings	6,133.40			6,506.87	-	-
Trade Payables	1,305.37			985.73	-	-
Other Financial Liabilities	975.01			1,122.64	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(vi) Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in crore)

	March 31, 2020	March 31, 2019
Borrowings	6,133.40	6,506.87
Trade Payables	1,305.37	985.73
Other Payables	3,640.94	1,244.75
Less: Cash and Cash Equivalents	30.02	167.47
Net Debt	11,049.69	8,569.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	March 31, 2020	March 31, 2019
Equity	98.86	98.71
Other Equity	4,039.84	4,173.32
Total Capital	4,138.70	4,272.03
Capital and Net Debt	15,188.39	12,841.94
Gearing Ratio	73%	67%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

36. Deferred Tax Expense

(₹ in crore)

	2019-20	2018-19
Unused Tax Losses	448.35	187.07
Accelerated Depreciation for Tax Purpose	(292.45)	(226.74)
Other items giving rise to temporary differences	3.18	2.81
Deferred tax asset / (liability)	159.09	(36.86)

**No deferred income tax asset is recognized as due to current business scenario the management is of the opinion that there is no certainty that future taxable profit will be available in short term against which the deductible temporary differences and tax losses can be utilized. Any gain arising due to deferred tax will be adjusted in subsequent financial year.*

37. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to manufacturing, trading and leasing of assets. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

(₹ in crore)

Particulars	2019-20	2018-19
1 Segment Revenue		
Manufacturing and Trading	3,326.70	4,010.40
Leasing and Others	823.02	742.97
Logistics	1,215.94	1,229.77
Revenue from Operations	5,365.66	5,983.14

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

Particulars	2019-20	2018-19
2 Segment Results		
Manufacturing and Trading	442.52	596.80
Leasing and Others	(32.14)	87.15
Logistics	(37.25)	76.95
Less :		
Finance Costs	637.69	597.62
Net Unallocated Income (Net)	141.95	9.62
Total Profit Before Tax	(406.51)	153.66
3 Segment Assets		
Manufacturing and Trading	2,764.18	2,350.76
Leasing and Others	7,320.12	7,225.00
Logistics	2,068.00	1,126.34
Unallocated	3,513.54	2,380.54
Total Assets	15,665.84	13,082.64
4 Segment Liabilities		
Manufacturing and Trading	941.39	815.15
Leasing and Others	473.10	720.51
Logistics	1,718.81	353.84
Unallocated	2,739.85	49.80
Total Liabilities	5,873.15	1,939.29

38 Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

(i) List of Related Parties

A Subsidiary Companies

- (i) Bluerock eServices Private Limited
- (ii) Future E-Commerce Infrastructure Limited
- (iii) Future Media (India) Limited
- (iv) Future Merchandising and Sourcing Pte. Ltd.
- (v) Futurebazaar India Limited
- (vi) Ritvika Trading Private Limited
- (vii) Work Store Limited (Untill 05th March 2020)
- (viii) Office Shop Private Limited (Subsidiary of Work Store Limited) (Untill 05th March 2020)
- (ix) Future Supply Chain Solutions Limited (FSCSL) - (Subsidiary of Ritvika Trading Private Limited)
- (x) Vulcan Express Private Limited (Subsidiary of FSCSL) (Till 12th Dec 2019)
- (xi) Leanbox Logistics Solutions Private Limited (w.e.f. 29th June 2019)

B Associate Company

- (i) Livquik Technology (India) Private Limited
- (ii) Work Store Limited (w.e.f 05th March 2020)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

C Joint Venture Companies

- (i) Apollo Design Apparel Parks Limited
- (ii) Future Generali India Insurance Company Limited
- (iii) Future Generali India Life Insurance Company Limited
- (iv) Goldmohur Design and Apparel Park Limited
- (v) Shendra Advisory Services Private Limited
- (vi) Sprint Advisory Services Private Limited

D Enterprises over which Key Managerial Personnel are able to exercises significant influence

- (i) Future Ideas Company Limited
- (ii) Future Lifestyle Fashions Limited
- (III) Future Retail Limited
- (iv) Future Sharp Skills Limited
- (v) Retail Light Techniques India Limited
- (vii) Birthright Games & Entertainment Private Limited
- (vii) Future Speciality Retail Limited
- (viii) Future Style Lab Limited
- (xi) Galaxy Cloud Kitchens Limited (formely known as Galaxy Entertainment Corporation Ltd)
- (xii) Praxis Home Retail Limited
- (xiii) Aadhaar Wholesale Trading And Distribution Limited
- (xiv) Future Consumer Limited
- (xv) Future Coupons Limited
- (xvi) Integrated Food Park Limited
- (xvii) The Nilgiri Dairy Farm Private Limited

E Entities Able to Exercise Significant Influence:

- (i) Central Departmental Stores Private Limited
- (ii) Future Corporate Resources Private Limited - (Formerly known as Suhani Trading & Investment Consultants Private Limited)

F Key Managerial Personnel

- (i) Mr. Vijay Biyani - Managing Director
- (ii) Mr. Dinesh Maheshwari - Executive Director & CFO
- (iii) Mr. Deepak Tanna - Company Secretary

G Relatives of Key Managerial Personnel

- (i) Mrs. Pravina Tanna

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Associates / Joint Ventures	Key Management Personnel Exercise Significant Influence	Key Management Personnel / Relatives
Sale of Goods and Services	- (-)	3,976.22 (3,838.14)	- (-)
Purchases of Goods and Services	471.33 (384.92)	27.16 (0.18)	0.03 (0.03)
Managerial Remuneration	- (-)	- (-)	6.33 (6.20)
Sitting Fees and Commission	- (-)	- (-)	0.60 (0.24)
Dividend Received	2.46 (2.46)	- (-)	- (-)
Investment	98.83 (52.54)	- (-)	- (-)
Outstanding Balances as on March 31, 2020			
Receivable	0.09 (-)	173.74 (405.73)	- (-)
Payable	170.29 (208.35)	1,356.42 (-)	- (-)

Note: Previous year figures are given in parenthesis.

(iii) Significant Related Party Transactions

- A Sale of Goods and Services and Fixed Assets includes Future Retail Limited ₹ 3,435.89 crore (2019 : ₹ 3,838.14 crore), Future Lifestyle Limited ₹ 513.23 crore (2019 : ₹ 375.31 crore)
- B Purchases of Goods and Services includes Apollo Design Apparel Parks Limited ₹ 234.59 crore (2019 : ₹ 179.11 crore), Goldmohur Design and Apparel Park Limited ₹ 224.15 crore (2019 : ₹ 203.15 crore), Future Generali India Life Insurance Company Limited ₹ 0.31 crore (2019 : ₹ 0.23 crore), Future Generali India Insurance Company Limited ₹ 3.25 crore (2019 : ₹ 2.67 crore) Future Ideas Company Limited ₹ 0.03 crore (2019 : ₹ 0.18 crore).
- C Managerial Remuneration includes Mr. Vijay Biyani ₹ 2.44 crore (2019 : ₹ 3.18 crore), Mr. Dinesh Maheshwari ₹ 3.38 crore (2019 : ₹ 2.42 crore), Key Managerial Remuneration Mr. Deepak Tanna ₹ 0.51 crore (2019 : ₹ 0.59 crore).
- D Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.21 crore (2019: ₹ 1.21 crore), Goldmohur Design and Apparel Park Limited ₹ 1.25 crore (2019 : ₹ 1.25 crore).
- E Investment includes Sprint Advisory Services Private Limited ₹ 22.70 crore (2019 : ₹ 25.76 crore), Shendra Advisory Services Private Limited ₹ 23.19 crore (2019 : ₹ Nil crore), Future Generali India Life Insurance Company Limited ₹ 23.72 crore (2019 : ₹ 26.78 crore), Future Generali India Insurance Company Limited ₹ 24.23 crore (2019 : ₹ Nil crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Interest In Other Entities

Subsidiary Companies :

Sr. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2020	Percentage of Interest as on March 31, 2019
1	Futurebazaar India Limited	Equity	India	100.00%	100.00%
2	Future Media (India) Limited	Equity	India	93.10%	93.10%
3	Future Supply Chain Solutions Limited*	Equity	India	46.75%	51.22%*
4	Future E-Commerce Infrastructure Limited	Equity	India	86.71%	86.71%
5	Office Shop Private Limited	Equity	India	Nil	61.67%
6	Work Store Limited	Equity	India	Nil	61.67%
7	Bluerock eServices Private Limited	Equity	India	100.00%	100.00%
8	Future Merchandising and Sourcing Pte. Ltd	Equity	Foreign	100.00%	100.00%
9	Ritvika Trading Private Limited	Equity	India	100.00%	100.00%
10	Vulcan Express Private Limited [§]	Equity	India	Nil	51.22%
11	Leanbox Logistics Solutions Private Limited [#]	Equity	India	60.56%	Nil

* Held By Ritvika Trading Private Limited

Held individually by FSC 23.08% and FEL 37.48%

§ Held By Future Supply Chain Solutions Limited

Joint Venture Companies Information :

Sr. No	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2020	Percentage of Interest as on March 31, 2019
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.51%	25.51%
3	Future Generali India Life Insurance Company Limited	Equity	India	8.62%	7.77%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Sprint Advisory Services Private Limited	Equity	India	49.81%	49.81%
6	Shendra Advisory Services Private Limited	Equity	India	49.82%	49.82%

Company's Interest in the Joint Ventures :

(₹ in crore)

Particulars	As At March 31, 2020	As At March 31, 2019
Assets	3,022.27	2,496.24
Liabilities	1,919.39	1,522.82
Income	944.18	1,098.53
Expenditure	899.74	1,077.61

Associate Company Information :

Sr. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2020	Percentage of Interest as on March 31, 2019
1	Livquik Technology (India) Private Limited	Equity	India	38.19%	Nil
2	Work Store Limited	Equity	India	41.57%	Nil
3	Leanbox Logistics Solutions Private Limited*	Equity	India	Nil	25.61%

* Associate of Future Supply Chain Solutions Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

40. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2019-20	2018-19
Profit / (Loss) for the Year attributable to Equity Holders	₹ in crore	(331.33)	144.96
Weighted average number of Ordinary Shares for Basic EPS	No. in crore	45.49	45.42
Weighted average number of Class B (Series-1) Shares for Basic EPS	No. in crore	3.94	3.94
Weighted average number of Ordinary Shares for Diluted EPS	No. in crore	45.49	45.42
Weighted average number of Class B (Series-1) Shares for Diluted EPS	No. in crore	3.94	3.94
The Nominal Value per Share (Ordinary and Class B Shares)	₹	2	2
Share of Profit / (Loss) for Ordinary Shares for Basic EPS	₹ in crore	(304.91)	133.25
Share of Profit / (Loss) for Class B (Series-1) Shares for Basic EPS	₹ in crore	(26.42)	11.71
Share of Profit / (Loss) for Ordinary Shares for Diluted EPS	₹ in crore	(304.91)	133.25
Share of Profit / (Loss) for Class B (Series-1) Shares for Diluted EPS	₹ in crore	(26.42)	11.71
Earnings Per Ordinary Share (Basic)	₹	(6.71)	2.93
Earnings Per Class B (Series-1) Share (Basic)	₹	(6.71)	2.97
Earnings Per Ordinary Share (Diluted)	₹	(6.71)	2.93
Earnings Per Class B (Series-1) Share (Diluted)	₹	(6.71)	2.97

41. Leases

The Company has entered into lease arrangements for its warehouses, office premises etc. These leasing arrangements which are non-cancellable range between 3 to 25 years on an average and are usually renewable by mutual consent on mutually agreeable terms. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under accounting policies included as part of our Annual Report for the year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right to use' of asset of ₹ 411.98 crore and a lease liability of ₹ 456.77 crore. The cumulative effect of applying the standard, amounting to ₹ 44.79 crore, was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on profit before tax, profit for the period and earnings per share. Ind AS 116 will result in increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.15%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

Opening balance as on April 2019 ₹ 411.98 crore, Addition, Deletion and Net Investment in sublease, Unwinding amounting to ₹ 119.91 crore, Depreciation amounting to ₹ 82.85 crore, and closing Balance as on March 31, 2020 ₹ 329.13 crore.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in statement of Profit & Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The break-up Lease Liabilities between current Lease Liabilities to ₹ 119.34 crore and non-current lease liabilities to ₹ 295.80 crore as at March 31, 2020

Lease Liability opening balance as on April 2019 ₹ 456.77 crore, Addition and Deletion, Finance cost, Payment of Lease Liability and Unwinding amounting to ₹ 41.64 crore and closing balance as on March 31, 2020 to ₹ 415.14 crore.

The Company does not face a significant liquidity risk with regards to its lease Liabilities as the current assets are sufficient to meet obligations to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was ₹ 40.68 for the year ended March 31, 2020 respectively.

Reconciliation for the effects of the transition on Statement of Profit and loss for year ended March 31, 2020 as follows:

(₹ in crore)

Particulars	Year ended March 31, 2020 Comparable basis	Changes due to Ind-AS 116 Increase / (decrease)	Year ended March 31, 2020 as reported
Revenue From Operations	5,377.80	(12.13)	5,365.66
Other Income	48.02	19.39	67.40
Cost of Services	2,838.53	(128.04)	2,710.49
Other Expenses	239.19	(27.84)	211.35
Finance Cost	673.64	45.39	719.03
Depreciation and amortisation expense	919.80	113.91	1,033.72
Profit / (Loss) Before Tax	(410.33)	3.82	(406.51)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

42. For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities in the Group	2019-20							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	"Amount (₹ in crore)"	As a % of Consolidated Profit	"Amount (₹ in crore)"	As a % of Consolidated Profit	"Amount (₹ in crore)"	As a % of Consolidated Profit	"Amount (₹ in crore)"
Future Enterprises Limited	96.70	3,630.34	(77.10)	(254.73)	(90.06)	(12.27)	(77.61)	(267.00)
Subsidiaries								
Futurebazaar India Limited	(0.04)	(1.54)	(0.07)	(0.22)			(0.06)	(0.22)
Future Supply Chain Solutions Limited	9.25	347.43	(9.63)	(31.83)	(9.33)	(1.27)	(9.62)	(33.10)
Vulcan Express Private Limited	-	-	(0.32)	(1.04)			(0.30)	(1.04)
Future Media (India) Limited	0.16	5.95	1.35	4.47			1.30	4.47
Office Shop Private Limited	-	-	(0.46)	(1.52)			(0.44)	(1.52)
Work Store Limited	-	-	0.69	2.27	(0.60)	(0.08)	0.63	2.18
Future E-Commerce Infrastructure Limited	(0.90)	(33.66)	(0.08)	(0.26)			(0.08)	(0.26)
Bluerock eServices Private Limited	(0.57)	(21.45)	0.06	0.20			0.06	0.20
Future Merchandising & Sourcing Pte. Ltd.	0.00	0.08	(0.02)	(0.05)			(0.01)	(0.05)
Ritvika Trading Pvt Ltd	(0.25)	(9.56)	(2.86)	(9.45)			(2.75)	(9.45)
Leanbox Logistics Private Limited	0.12	4.46	(10.05)	(33.19)			(9.65)	(33.19)
Subtotal		3,922.05		(325.35)		(13.62)		(338.98)
Intercompany Elimination and Consolidation Adjustments	(4.47)	(167.81)	(1.52)	(5.03)			(1.46)	(5.03)
Total		3,754.24		(330.38)		(13.62)		(344.01)
Non - Controlling Interest		393.92		(38.18)				(38.18)
Associates (Investment as per Equity Method)								
Livquik Technology (India) Private Limited		(0.42)		(0.42)				(0.42)
Work Store Limited		0.11		0.11				0.11
Joint Ventures (Investment as per Equity Method)								
Apollo Design Apparel Parks Limited		22.74		4.03				4.03
Future Generali India Insurance Company Limited		31.34		33.57		10.68		44.25
Future Generali India Life Insurance Company Limited		(66.68)		(3.31)		13.03		9.72
Goldmohur Design and Apparel Park Limited		21.35		3.36				3.36
Shendra Advisory Services Private Limited		(1.71)		(0.03)				(0.03)
Sprint Advisory Services Private Limited		(1.02)		(0.07)				(0.07)
Grand Total		4,153.86		(331.33)		10.10		(321.23)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

43. Contingent Liabilities

Claims Against the Group Not Acknowledged as Debts, In respect of Income Tax ₹ 11.88 crore (2019 : ₹ 3.10 crore), Value Added Tax ₹ 17.08 crore (2019 : ₹ 5.56 crore), Service Tax ₹ Nil crore (2019 : ₹ 3.92 crore) Others ₹ NIL (2019: ₹ Nil crore), Letter of Credit ₹ 44.10 crore (2019 : ₹ 143.06 crore) and Other money for which the Company is Contingently Liable, Corporate Guarantees Given ₹ 5,752.00 crore (2019: ₹ 5,752.00 crore), Custom Duty ₹ 9.54 crore.

Share in the Contingent Liabilities of Associate Company and Joint Ventures ₹ 27.57 crore (2019: ₹ 6.22 crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Group, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Group. The company has not made any provision in respect of GST input credit disallowance / non payment by suppliers , since same will be recovered from vendors

44. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 42.17 crore (2019 : ₹ 124.76 crore).

45. Payment to the Auditor (Inclusive of Goods & Service Tax)

	(₹ in crore)	
	2019-20	2018-19
Statutory Audit Fees	0.54	0.62
Certification & Other Expenses	0.04	0.04
Total	0.58	0.66

46. The outbreak of Coronavirus (COVID-19) pandemic is one of the biggest social, health and economic impacts, faced by India and the World at large. The Government of India declared a national lock down on March 24, 2020, which has severely impacted the business activities of the Company. The nationwide lockdown to curb the spread of the pandemic situation had significantly impacted the Company's operational capabilities, as all the manufacturing were temporarily shut, as per the advisory issued by the respective local authorities /State/ Central Governments, during the lockdown period. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards due to complete lockdown. The company has laid down the roadmap for New Normal with a strong focus on safeguarding the health and safety of its employees, customers and communities it serves. Various initiatives and SOPs have been rolled out by the Company to safeguard its assets. The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

47. The Board of Directors of the Company at its meeting held on August 29, 2020 has *inter-alia*, considered and approved the Composite Scheme of Arrangement between 19 Transferor Companies with Future Enterprises Limited (Transferee Company) and their respective Shareholders and Creditors ("The Composite Scheme of arrangement' / 'scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The said Scheme shall be subject to requisite approvals of statutory / regulatory authorities, including those from the shareholders and creditors of the Transferor Companies and Transferee Company and other applicable contractual approvals. The said disclosure is available on the websites of the Stock Exchanges, viz., www.nseindia.com and www.bseindia.com and on the Company's website i.e., www.felindia.in.

As per our report of even date attached

For and on behalf of Board of Directors

For DMKH & CO.

Chartered Accountants
FRN 116886W

Vijay Biyani

Managing Director

Dinesh Maheshwari

Executive Director &
Chief Financial Officer

Shikha Kabra

Partner
Membership No.: 179437

Deepak Tanna

Company Secretary

Mumbai

September 07, 2020

ANNEXURE – II

Form NO. AOC. 1

Statement containing salient features of the financial statements of subsidiaries/joint ventures/associate companies/joint ventures (Pursuant to the first proviso to sub-section (3) of Section 125 read with rule of Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

Sl. No.	Name of Subsidiary Companies	Date of becoming Subsidiary	Reporting Period of the Subsidiary Concerned, if different from the Holding Company reporting Period	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment (excluding investment in subsidiaries)	Revenue From Operations	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	Future Media (India) Limited	March 8, 2006	March 31, 2020	INR	29.41	(23.01)	30.59	24.19	-	29.03	4.80	-	4.80	-	93.10%
2	Futurebazaar India Limited	August 17, 2006	March 31, 2020	INR	19.16	(20.70)	0.26	1.80	-	0.08	(0.22)	-	(0.22)	-	100%
3	Future E-Commerce Infrastructure Limited	May 25, 2007	March 31, 2020	INR	50.98	(89.80)	2.72	41.54	-	0.08	(0.26)	-	(0.26)	-	86.71%
4	Bluerock e-Services Private Limited	April 16, 2016	March 31, 2020	INR	22.45	(43.90)	4.05	25.50	-	-	0.20	-	0.20	-	100%
5	Future Merchandising Pte. Ltd.	July 3, 2017	March 31, 2020	SGD S\$	0.20	(0.12)	0.13	0.05	-	-	(0.05)	-	(0.05)	-	100%
6	Ritvika Trading Private Limited	November 19, 2018	March 31, 2020	INR	0.01	(9.57)	2.74	12.30	-	-	(9.45)	-	(9.45)	-	100
7	Future Supply Chain Solutions Limited ^s	March 8, 2006	March 31, 2020	INR	43.88	699.28	2049.40	1306.23	-	1140.55	(63.88)	-	(53.88)	-	46.75%
8	Leanbox Logistics Solutions Pvt Ltd.**	July 27, 2019	March 31, 2020	INR	1.36	(13.41)	20.06	32.11	-	102.07	(41.12)	0.15	(40.97)	-	60.56%
9	Work Store Limited*	February 8, 2013	March 31, 2020	INR	5.04	58.23	87.88	24.61	-	84.72	3.61	0.01	3.60	-	41.57%
10	Office Shop Private Limited [#]	February 8, 2013	March 31, 2020	INR	0.01	(22.57)	0.06	22.62	-	-	(1.52)	-	(1.52)	-	41.57%

* Subsidiary until 05th March 2020

Subsidiary until 05th March 2020

\$ Subsidiary of Ritvika Trading Private Limited

** Held individually by FSC 23.08% and FEL 37.48%

Part B : Associate and Joint Ventures

Statement pursuant to Section 129 (3) of Companies Act , 2013 related to Associate and Joint Ventures

Sl. No.	Name of Associate / Joint Ventures	Date of becoming Associate / Joint Ventures	Reporting Period of the Associate/ Joint Venture	Share of Associate/Joint Ventures held by the company on the year end		Description how there is a significant influence	Reason why the associate/ joint venture is not consolidated	Net Worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associate / Joint Ventures				Extent of the Holding Companies Interest (%)	Considered in Consolidation
1	Apollo Design Apparel Parks Limited	November 22, 2007	March 31, 2020	22,03,500	73.84	39.00	-	48.16	4.04	-
2	Goldmohur Design and Apparel Park Limited	November 22, 2007	March 31, 2020	22,81,500	70.50	39.00	-	45.87	3.38	-
3	Future Generali India Insurance Company Limited	May 23, 2006	March 31, 2020	2,30,780,872	230.78	25.51	-	273.89	33.57	-
4	Future Generali India Life Insurance Company Limited	May 23, 2006	March 31, 2020	16,69,54,012	166.95	8.62	-	26.65	(3.31)	-
5	Sprint Advisory Services Private Limited	May 23, 2006	March 31, 2020	29,70,64,566	297.06	49.81	-	481.57	(0.07)	-
6	Shendra Advisory Services Private Limited	May 23, 2006	March 31, 2020	13,50,29,966	135.03	49.82	-	226.74	(0.03)	-
7	Livquik Technology (India) Private Limited	August 01, 2019	March 31, 2020	7,11,74,377	10.00	38.19	-	3.59	(0.42)	-
8	Work Sore Limited	March 05, 2020	March 31, 2020	20,93,288	19.09	41.57	-	26.30	0.11	-

* Aggregate of the paid-up equity share capital and convertible preference share.

Associate w.e.f 05th March 2020

As per our report of even date attached

For and on behalf of Board of Directors

For DMKH & CO.

Chartered Accountants
FRN 116886W

Shikha Kabra
Partner

Membership No.: 179437

Mumbai
September 07, 2020

Vijay Biyani

Managing Director

Deepak Tanna

Company Secretary

Dinesh Maheshwari

Executive Director & Chief
Financial Officer

FUTURE ENTERPRISES LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2020

Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Yrs), Qualification, Remuneration received (in Rs.), Last Employment;

1. *Aman Deep Lohan, CEO Financial Services, 46, May 23, 2019, 21, MBA Operational Research (Faculty of Management Studies), 1,33,54,980, Amazon Seller Services Private Limited; 2. Anuraag Agarwal, Head-Strategy, Mergers & Acquisitions, 45, June 01, 2012, 20, MSc, 1,53,87,999, Berenson & Company; 3. *Bharati Balakrishnan, Chief Strategy & Business Development Officer, 38, May 20, 2019, 14, PGDM (IIM Ahmedabad) MBA, 1,55,44,786, Paytm. 4. Dinesh Maheshwari, Chief Financial Officer & Executive Director, 51, December 03, 2004, 22, CA, 3,38,18,789, Mukwand Group of Company; 5. Harsh Kundra, Senior Vice President - Technology, 43, December 19, 2018, 18, Master of Human - Computer Interaction, 1,67,07,936, B2C2; 6. *Hemant Kumar Taware, Strategic Planning & Business Development Head, 52, January 02, 2018, 27, MBA, 80,53,187, Hyper City Retail Limited; 7. *Manoj Agarwal, Chief Transformation Officer, 47, October 05, 2011, 27, Others, 86,63,813, P&G; 8. Rajesh Kalyani, CFO-Property Division, 50, June 09, 1997, 28, CA and ICWA, 1,07,37,791, Paschim Chemical; 9. Sanjay Rathi, Head-Legal & Corp Governance, 54, February 01, 2007, 29, BCom Accounts & Economics / ACS, 1,38,52,844, Sanjay Rathi and Associates; 10. Vijay Biyani, Director, 60, September 26, 2009, 36, BCom Accounts & Economics, 2,44,22,884, Business;

“*” denotes employed part of the year

Notes:

1. Nature of employment is permanent and terminable by Notice on either side except in case of Directors, which is contractual.
2. The above employees are not related to any other Director of the Company.
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.
5. Gross Remuneration received shown in statement includes Salary, House Rent Allowance, Car Perquisites value/ allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme, Leave encashment, Leave Travel Facility, reimbursement of Medical expenses and all allowances/ perquisites and terminal benefits, as applicable.

For and on behalf of the Board of Directors

Place: Mumbai
Date : September 07, 2020

V. K. Chopra
Chairman

INTENTIONALLY
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Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East),
Mumbai - 400 060. Maharashtra, India
www.felindia.in

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.