Independent Auditors' Report

To the Members of **Future Supply Chain Solutions Limited**

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **Future Supply Chain Solutions Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the 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, 2019, the profit and total comprehensive income, 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 (SAs). 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 independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgement, 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 matter	Auditor's Response
1. Revenue Recognition: Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of IND AS 115 " Revenue from Contracts with Customers" (new revenue accounting standard)	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: - Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

Independent Auditors' Report (Contd.)

Key audit matter	Auditor's Response

	- Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.
	We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
	- Tested the relevant information technology systems access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
	- Selected a sample of continuing and new contracts and performed the following procedures:
	  - Read, analysed and identified the distinct performance obligations in these contracts.
	  - Compared these performance obligations with that identified and recorded by the Company.
	  - Performed analytical procedures for reasonableness of revenues.

2. Disclosure of related party transactions: Due to high volume of business transactions with related parties during the year ended March 31, 2019, the matter pertaining to completeness of disclosures of related party transactions at arm's length price is considered as key audit matter.	Principal Audit Procedures - Assessed the procedures adopted by the management in order to establish arm's length price. - Obtaining an understanding of the Company's procedures in identification of related parties and process followed for ensuring completeness of accounting and disclosures of related party transactions and balances. - Reading the statutory records and books of records to identify related party transactions and audit committee approvals for related party transactions. - Verification of balance confirmations received from related parties and testing the transaction amounts and closing balances.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Ind AS 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.

Independent Auditors' Report (Contd.)

MANAGEMENT'S RESPONSIBILITY 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, total 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 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 controls 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 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

Independent Auditors' Report (Contd.)

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 year 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, 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 purpose of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under Section 133 of the Act, read with relevant rule issued there under.

    e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 of the company and the operating effectiveness of such control, refer to our separate report in **"Annexure B"** our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

Independent Auditors' Report (Contd.)

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

   i. 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 explanation 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **GMJ & Co.**
Chartered Accountants
Firm Registration No. : 103429W

Sanjeev Maheshwari
Partner
Membership Number: 038755
Place: Mumbai
Date: May 13, 2019

Annexure - A

to the Independent Auditor's Report

(Referred to in Paragraph 1 under the "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Future Supply Chain Solutions Limited of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. The Company did not have any immovable property of freehold or leasehold land and building as at March 31, 2019. Therefore paragraph 3(i) (c) of Order is not applicable.

ii. 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 Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3 (iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments and guarantees made to or on behalf of the Directors or to any other persons in whom the Directors are interested during the year. Therefore, paragraph 3 (iv) of the Order is not applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019. Therefore, paragraph 3 (v) of the Order is not applicable.

vi. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Therefore, paragraph 3(vi) of the Order is not applicable.

vii. a. According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

c. Details of dues of Service Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Lakh)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	391.80	FY 2012-13 to FY 2016-17	Additional Director General

Annexure - A
to the Independent Auditor's Report (Contd.)

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from banks or debenture holders. The Company has not taken any loans from Government or any Financial Institution.

ix. In our opinion and according to the information and explanations given to us, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the provisions of section 197 of the Act.

xii. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standard.

xiv. According to the information and explanations given to us and based on our examination of the records, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records, Company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **GMJ & Co.**
Chartered Accountants
Firm Registration No. : 103429W

Sanjeev Maheshwari
Partner
Membership Number: 038755
Place: Mumbai
Date: May 13, 2019

Annexure - B
to the Auditors' Report

Report on the Internal Financial Controls 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 Supply Chain Solutions Limited** ("the Company") as of March 31, 2019 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Standalone 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.

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 Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

Annexure - B
to the Auditors' Report (Contd.)

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For **GMJ & Co.**
Chartered Accountants
Firm Registration No. : 103429W

Sanjeev Maheshwari
Partner
Membership Number: 038755
Place: Mumbai
Date: May 13, 2019

Balance Sheet

As at March 31, 2019

(₹ in Lakh)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	4	41,101.87	31,513.64
Capital Work In Progress		6,389.81	254.94
Intangible Assets	4	122.08	219.76
Financial Assets			
Investments	5	6,312.26	6,312.26
Other Financial Assets	6	5,312.60	3,232.22
Other Non Current Assets	7	6,611.04	4,474.36
Total Non-Current Assets		**65,849.66**	**46,007.18**
Current Assets			
Inventories	8	552.95	-
Financial Assets			
Investments	9	0.70	0.70
Trade Receivables	10	34,875.00	25,908.85
Cash and Cash Equivalent	11	11,708.55	7,861.47
Bank Balances other than Cash and Cash Equivalent	12	60.65	106.55
Other Financial Assets	13	483.06	1,071.35
Other Current Assets	14	1,235.06	1,486.11
Assets classified as held for sale	40	3,626.55	-
Total Current Assets		**52,542.52**	**36,435.03**
Total Assets		**1,18,392.18**	**82,442.21**
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	15	4,008.11	4,005.62
Other Equity	16	56,026.66	49,475.42
Total Equity		**60,034.77**	**53,481.04**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Non Current Borrowings	17	21,781.48	2,511.28
Other Non Current Financial Liabilities	18	90.05	169.95
Provisions	19	408.49	456.38
Total Non-Current Liabilities		**22,280.02**	**3,137.61**
Current Liabilities			
Financial Liabilities			
Trade Payables			
- Micro and Small Enterprises	31	166.83	-
- Others		23,500.94	17,644.34
Other Current Financial Liabilities	20	6,112.42	5,847.65
Other Current Liabilities	21	2,893.38	2,003.25
Provisions	22	719.71	328.32
Liabilities associated with assets classified as held for sale	40	2,684.11	-
Total Current Liabilities		**36,077.39**	**25,823.56**
Total Equity And Liabilities		**1,18,392.18**	**82,442.21**
Notes to the Financial Statements	1-44		

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN: 00036303

P V Sheshadri
(Chief Executive Officer)

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Statement of Profit and Loss

For the year ended March 31, 2019

(₹ in Lakh)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue From Operations	23	1,11,277.10	83,192.24
Other Income	24	561.34	1,142.38
Total Income		**1,11,838.44**	**84,334.62**
Expenses			
Cost of Logistics Services		77,354.26	53,642.03
Employee Benefits Expense	25	9,770.04	8,313.33
Depreciation and Amortisation Expense	4	4,170.10	4,562.96
Finance Costs	26	1,608.14	870.15
Other Expenses	27	9,297.82	7,916.29
Total Expenses		**1,02,200.36**	**75,304.76**
Profit Before Tax		9,638.08	9,029.86
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit for the year from continuing operations		9,638.08	9,029.86
Loss for the year from discontinued operations		(3,122.36)	(5,970.38)
Tax expense of discontinued operations		-	-
Loss for the year from discontinued operations after tax		**(3,122.36)**	**(5,970.38)**
Profit for the year		**6,515.72**	**3,059.48**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurement of the defined benefit plan		62.05	25.68
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		**62.05**	**25.68**
Total Comprehensive Income for the year		**6,577.77**	**3,085.16**
Earnings per equity share (for continuing operations) (Face Value ₹ 10/- each):	34		
Basic (₹)		24.06	22.87
Diluted (₹)		24.03	22.86
Earnings per equity share (for discontinued operations) (Face Value ₹ 10/- each):			
Basic (₹)		(7.79)	(15.12)
Diluted (₹)		(7.79)	(15.11)
Earnings per equity share (for continuing and discontinued operations) (Face Value ₹ 10/- each):			
Basic (₹)		16.27	7.75
Diluted (₹)		16.24	7.75
Notes to the Financial Statements	1-44		

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN: 00036303

P V Sheshadri
(Chief Executive Officer)

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Statement of Changes in Equity

For the year ended March 31, 2019

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) EQUITY SHARE CAPITAL		
Opening Balance	4,005.62	3,913.83
Add : On account of conversion of Fully Convertible Debentures	-	91.79
Add : Equity Shares issued under Employee Stock Option Plan (ESOP)	2.49	-
Closing Balance	**4,008.11**	**4,005.62**
(B) OTHER EQUITY		
Retained Earnings		
Opening Balance	27,892.66	1,912.60
Profit for the Year	6,515.72	3,059.48
Pursuant to Scheme of Arrangement	-	22,894.90
Other Comprehensive Income for the year (net of tax)	62.05	25.68
Dividend Paid (including Dividend Distribution Tax)	(482.90)	-
Transfer to Debenture Redemption Reserve	(2,500.00)	-
Closing Balance	**31,487.53**	**27,892.66**
Securities Premium		
Opening Balance	21,403.32	15,995.12
Add : On account of conversion of Fully Convertible Debentures	-	5,408.20
Add: Equity shares issued under ESOP	84.57	-
Add : Transfer from share options outstanding account on exercise of ESOP	76.10	-
Closing Balance	**21,563.99**	**21,403.32**
Debenture Redemption Reserve		
Opening Balance	-	-
Add: Transfer from surplus in Statement of Profit and Loss	2,500.00	-
Closing Balance	**2,500.00**	**-**
Share Options Outstanding		
Opening Balance	179.44	-
Add : Recognition of share based payments	371.80	179.44
Less : Transfer to Securities Premium on exercise of ESOP	(76.10)	-
Closing Balance	**475.14**	**179.44**
Total Other Equity	**56,026.66**	**49,475.42**

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN: 00036303

P V Sheshadri
(Chief Executive Officer)

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Cash Flow Statement

For the year ended March 31, 2019

(₹ in Lakh)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	**6,515.72**	**3,059.48**
	Adjusted For:		
	Depreciation And Amortisation Expense	4,511.42	4,926.91
	Finance Costs	1,784.83	1,599.13
	Provision for Doubtful Debts	371.09	230.91
	Profit on sale of Fixed Assets	(10.05)	(233.95)
	Expenses on employee stock option (ESOP)	371.80	179.44
	Interest Income	(248.60)	(417.65)
	Cash generated from operations before working capital changes	**13,296.21**	**9,344.27**
	Adjusted For:		
	(Increase)/ decrease in inventories	(552.95)	-
	(Increase)/ decrease in Trade receivables	(11,430.45)	(1,933.57)
	(Increase)/ decrease in other Financial and other Assets	(2,353.48)	(945.06)
	Increase/ (decrease) in Trade Payables, Other Liabilities and Provisions	8,662.14	3,137.09
	Cash flow from Operations	**7,621.47**	**9,602.73**
	Taxes Paid (Net)	(1,244.33)	(1,638.21)
	Net cash from Operating Activities	**6,377.14**	**7,964.52**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Intangible Assets	(18,627.19)	(8,846.87)
	Sale of Property, Plant & Equipment and Intangible Assets	128.93	997.93
	Purchase of Investments	-	(5,109.99)
	Interest Received	248.60	417.65
	Net Cash Used In Investing Activities	**(18,249.66)**	**(12,541.28)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of shares on exercise of share options	87.06	-
	Dividend paid (including Dividend Distribution Tax)	(482.90)	-
	Repayment of Current Borrowings (net)	-	(14,546.29)
	Proceeds from Non Current Borrowings (net)	17,459.35	71.59
	Issue of shares by subsidiary company to its erstwhile promoters, subsequently demerged into the Company (Refer Note No. 39)	-	22,894.90
	Interest Paid	(731.61)	(1,130.73)
	Net Cash from Financing Activities	**16,331.90**	**7,289.47**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**4,459.38**	**2,712.71**
	Cash and Cash Equivalents at the beginning of the year	**7,968.02**	**5,255.31**
	Cash and Cash Equivalents at the end of the year	**12,427.40**	**7,968.02**
	Less: Cash and Cash Equivalents at the end of the year from discontinued operations	**658.20**	**-**
	Cash and Cash Equivalents as per Balance Sheet	**11,769.20**	**7,968.02**

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN: 00036303

P V Sheshadri
(Chief Executive Officer)

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)

Notes to the Financial Statements

1. COMPANY OVERVIEW

Future Supply Chain Solutions Limited (the "Company") is a public company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Company is an integrated and IT enabled end-to-end Supply Chain and Logistics Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics etc. The Company mainly caters to corporates in Food & Beverages, Lifestyle, Consumer Durables & Electronics, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise, E-Commerce sectors etc. Each category has a distinct supply chain requirement that needs customised solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenised and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2. REVISED INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The standard also requires enhanced disclosures requirements for lessees. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17.

The Company's operating leases mainly relate to Warehouses and Office Premises, which are on lease terms of up to 20 years. The Company is currently in the process of evaluating the impact, this standard will have on its Financial Statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of Compliance

The Standalone Financial Statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other applicable laws.

3.2. Basis of Preparation and Presentation

These Financial Statements are prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Financial Statements is

Notes to the Financial Statements (Contd.)

determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 'Share-based payment', leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

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:

Assets	Useful Life
Plant and Equipments	15 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles	6 years
Computers	3 years
Leasehold Improvements	Lease term

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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'.

3.4. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable

Notes to the Financial Statements (Contd.)

to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Softwares	6 years
Exclusive Business Rights	10 years

An item of Intangible asset is derecognised 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 and Loss when the asset is derecognised.

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

3.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6. Financial Instruments

3.6.(i) Initial recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

3.6.(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost

Notes to the Financial Statements (Contd.)

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(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 recognised in other comprehensive income.

(iii) 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.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised 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. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting

Notes to the Financial Statements (Contd.)

all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c. **Compound Instruments**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

3.6.(iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.7. Foreign Currency

Functional currency

The functional currency of the Company is the Indian Rupee ("₹").

i. Initial recognition

In preparing the Financial Statement of the Company, transactions in currencies other than the Companies' functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Notes to the Financial Statements (Contd.)

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported in Indian Rupee using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

a. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

3.8. Borrowing Costs

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

3.9. Revenue Recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue recognition prescribed in five-step model:

Step 1: Identify the contract(s) with a customer – Contracts may be written, oral or implied by customary business practices, but revenue can be recognised only on those contracts that are enforceable and have commercial substance.

Step 2: Identify the separate performance obligations in the contract – Performance obligations are explicitly or implicitly promised goods or services in a contract as well those arising from customary business practices. An entity needs to identify performance obligations which are distinct.

Step 3: Determine the transaction price – The transaction price is the amount of consideration to which an entity expects to be entitled. It includes variable consideration, impact of significant financing components, fair value of non-cash consideration and impact of consideration payable to the customer.

Step 4: Allocate the transaction price to the separate performance obligations – The standard requires allocation of the total contract price to the various performance obligations based on their relative stand-alone selling prices, with limited exceptions.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation – Revenue recognition can occur either over time or at a point in time. Revenue recognition for a performance obligation occurs over time only if it meets one of the three prescribed criteria.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded

Notes to the Financial Statements (Contd.)

using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

3.10. 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, or
- 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, or
- 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.

3.11. Employee Benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Notes to the Financial Statements (Contd.)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.12. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.13. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders 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

Notes to the Financial Statements (Contd.)

the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.14. Provisions, Contingent liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

3.15. Impairment

a. Financial assets

The Company recognises loss allowances using the expected credit loss (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 which 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.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and

Notes to the Financial Statements (Contd.)

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 recognised 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3.16. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.17. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company

Notes to the Financial Statements (Contd.)

reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase.

If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 'Revenue' ("Ind AS 18").

3.18. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.19. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in Balance sheet.

3.20. Key sources of estimation uncertainty and critical accounting judgments

In the course of applying the accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the

Notes to the Financial Statements (Contd.)

period of the revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. **Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. **Impairment of property, plant and equipment**

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. **Provisions, liabilities and contingencies**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

3.21. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.22. Investment in Subsidiary, Joint Ventures and Associates

Investment in subsidiaries, joint ventures and associates are shown at cost in accordance with Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised as impairment loss in the Statement of Profit and Loss (refer policy on impairment of non-financial assets). On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Notes to the Financial Statements (Contd.)

4. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Leasehold Improvement	Plant and Equipment	Office Equipment	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total
Cost								
As at April 1, 2018	2,705.17	24,573.39	1,093.77	3,048.98	5,053.37	3,672.74	520.35	40,667.77
Additions	-	6,936.52	585.91	3,736.39	1,116.29	2,388.82	-	14,763.93
Deletions	28.56	18.18	-	23.85	6.13	31.03	131.28	239.03
Assets classified as held for sale	583.78	151.71	283.34	723.22	943.45	333.33	-	3,018.83
As at March 31, 2019	**2,092.83**	**31,340.02**	**1,396.34**	**6,038.30**	**5,220.08**	**5,697.20**	**389.07**	**52,173.84**
Accumulated depreciation								
As at April 1, 2018	1,107.16	3,176.51	480.79	1,427.51	1,804.51	989.12	168.53	9,154.13
Depreciation for the year	476.08	1,881.30	168.98	833.00	307.05	405.58	78.56	4,150.55
Deletions	14.58	8.78	-	22.59	3.96	12.17	58.08	120.16
Assets classified as held for sale	528.34	77.05	172.11	480.81	750.01	104.23	-	2,112.55
As at March 31, 2019	**1,040.32**	**4,971.98**	**477.66**	**1,757.11**	**1,357.59**	**1,278.30**	**189.01**	**11,071.97**
Net book value								
As at March 31, 2019	**1,052.51**	**26,368.04**	**918.68**	**4,281.19**	**3,862.49**	**4,418.90**	**200.06**	**41,101.87**
As at March 31, 2018	1,598.01	21,396.88	612.98	1,621.47	3,248.86	2,683.62	351.82	31,513.64

(₹ in Lakh)

Intangible assets	Computer Softwares	Exclusive Business Rights	Total
Cost			
As at April 1, 2018	450.21	29.47	479.68
Additions	11.97	-	11.97
Deletions	-	-	-
Assets classified as held for sale	145.07	-	145.07
As at March 31, 2019	**317.11**	**29.47**	**346.58**
Accumulated amortisation			
As At April 1, 2018	235.45	24.47	259.92
Amortisation for the year	14.55	5.00	19.55
Deletions	-	-	-
Assets classified as held for sale	54.97	-	54.97
As at March 31, 2019	**195.03**	**29.47**	**224.50**
Net book value			
As at March 31, 2019	**122.08**	**-**	**122.08**
As at March 31, 2018	214.76	5.00	219.76

Notes to the Financial Statements (Contd.)

5. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Investments		
Non - Trade Investment (at cost)		
Unquoted		
Associate		
1,78,500 (2018: 1,78,500) Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	899.99	899.99
Subsidiary		
1,50,60,063 (2018: 23,00,60,063) Equity Share of ₹ 10 each of Vulcan Express Private Limited	5,312.27	5,312.27
Others		
19,833 (2018: 19,833) Compulsory Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00	100.00
	6,312.26	**6,312.26**

6. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Financial Assets - Others		
Unsecured Considered Good		
Security Deposits	5,212.60	3,219.22
Bank Deposit (under lien)	100.00	13.00
	5,312.60	**3,232.22**

7. OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	-	52.95
MAT credit	1,666.44	721.14
Advance tax (net of provisions)	4,944.60	3,700.27
	6,611.04	**4,474.36**

8. INVENTORIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Packing materials	552.95	-
	552.95	**-**

Notes to the Financial Statements (Contd.)

9. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Investment		
Unquoted		
National Saving Certificate* (under lien)	0.70	0.70
* Financial Assets carried at amortised cost		
	0.70	**0.70**

10. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good	34,875.00	25,908.85
Trade Receivables - Credit Impaired	881.72	745.24
Less: Allowances for expected credit loss	(881.72)	(745.24)
	34,875.00	**25,908.85**

11. CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
In current accounts	11,697.10	7,749.14
Cash on hand	11.45	112.33
	11,708.55	**7,861.47**

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits (under Lien)	60.65	106.55
	60.65	**106.55**

Notes to the Financial Statements (Contd.)

13. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Financial Assets		
Inter Corporate Deposit	50.00	-
Security Deposits		
Unsecured, Considered Good	433.06	1,071.35
Security Deposits- Credit Impaired	107.19	103.28
Less: Allowance for doubtful deposits	(107.19)	(103.28)
	483.06	**1,071.35**

14. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Insurance claim receivables	30.89	19.61
Balances with Government authorities	496.41	93.77
Others (include prepaid expenses, advance to suppliers etc.)	707.76	1,372.73
	1,235.06	**1,486.11**

15. SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity Shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed and fully Paid up				
Equity Shares of ₹ 10 each fully paid up	4,00,81,113	4,008.11	4,00,56,238	4,005.62
	4,00,81,113	**4,008.11**	**4,00,56,238**	**4,005.62**

(i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
Opening balance	4,00,56,238	3,91,38,283
Add : On account of conversion of Fully Convertible Debentures	-	9,17,955
Add : Equity Shares issued under ESOP	24,875	-
	4,00,81,113	**4,00,56,238**

Notes to the Financial Statements (Contd.)

(ii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per Share. Holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

(iii) Holding company

Name of Shareholder	As at March 31, 2019 No. of Shares	As at March 31, 2018 No. of Shares
Equity Shares		
Future Enterprises Limited	100	2,05,15,917
Ritvika Trading Private Limited	2,05,15,817	-

(iv) More than 5 percent shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in the Company are as under :

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Future Enterprises Limited	100	0.00	2,05,15,917	51.22
Ritvika Trading Private Limited	2,05,15,817	51.19	-	-
Griffin Partners Limited	58,63,475	14.63	58,63,475	14.64
L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	27,84,372	6.95	23,74,973	5.93

(v) Share options granted under the ESOP

Share options granted under the ESOP carry no rights as to dividend and voting.

(vi) As at March 31, 2019, total 2,39,200 (2018 : 2,69,700) equity shares are reserved for issuance toward outstanding employee stock options granted. (Refer Note no. 33)

16. OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	31,487.53	27,892.66
Securities Premium	21,563.99	21,403.32
Debenture Redemption Reserve	2,500.00	-
Employee Stock Option Outstanding	475.14	179.44
Total Other Equity	**56,026.66**	**49,475.42**

16.1 Description of Reserves

Securities Premium

This reserve is created to transfer a sum equal to the aggregate amount of the premium received on shares issued as per the applicable provisions of the Companies Act, 2013.

Notes to the Financial Statements (Contd.)

Debenture Redemption Reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of the profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the Debenture Redemption Reserve cannot be utilised by the Company except to redeem debentures.

Employee Stock Option Outstanding

This reserve relates to share options granted by the Company to its employees and directors under ESOP. Further information about share-based payments to employees is set out in Note no. 33.

Retained Earnings

This represents the surplus/ (deficit) of the Statement of Profit and Loss. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate Financial Statements of the Company and also considering the requirements of the Companies Act, 2013.

17. NON CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan		
Term Loan from Banks*	1,028.17	2,511.28
Non Convertible Debentures	20,753.31	-
* Financial Liabilities carried at amortised cost		
(Refer Note No.36)		
	21,781.48	**2,511.28**

18. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Financial Liabilities		
Security Deposits*	90.05	169.95
* Financial Liabilities Carried at Amortised Cost		
	90.05	**169.95**

19. NON-CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	257.10	299.57
Leave encashment (Refer Note No. 37)	151.39	156.81
	408.49	**456.38**

Notes to the Financial Statements (Contd.)

20. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Borrowings	-	784.98
Security Deposits	4.40	3.60
Capital Creditors	3,259.92	976.33
Payable on Purchase of Investment	-	1,202.26
Other Payables	2,848.10	2,880.48
	6,112.42	**5,847.65**

21. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	1,222.20	1,156.50
Other Payables (includes advance from customers etc.)	1,671.18	846.75
	2,893.38	**2,003.25**

22. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	7.71	11.42
Leave Encashment (Refer Note No. 37)	4.75	16.90
Provision for Bonus	707.25	300.00
	719.71	**328.32**

23. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Logistics Services	1,11,277.10	83,192.24
	1,11,277.10	**83,192.24**

24. OTHER INCOME

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on		
- Bank Deposits	102.81	5.38
- Others	133.45	411.54
Profit on Sale of Fixed Assets	10.05	233.95
Miscellaneous Income	315.03	491.51
	561.34	**1,142.38**

Notes to the Financial Statements (Contd.)

25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, Wages and Bonus	8,724.32	7,695.26
Contribution to Provident and Other Funds	282.02	153.11
Expenses on ESOP (Refer note no.33)	371.80	179.44
Staff Welfare Expenses	391.90	285.52
	9,770.04	**8,313.33**

26. FINANCE COSTS

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Expense	1,608.14	870.15
	1,608.14	**870.15**

27. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Power and Fuel	1,955.95	1,360.79
Repairs and Maintenance		
- Building	189.49	123.02
- Machinery	621.64	722.21
- Others	413.23	259.11
Insurance	161.90	130.35
Rates and Taxes	165.54	64.70
Rent	184.78	203.85
Travelling and Conveyance Expenses	1,297.50	945.21
Auditors' Remuneration		
- Statutory Audit Fees	15.50	15.50
- Tax Audit Fees	-	0.25
- Other Services	1.50	28.82
Security Expenses	1,804.20	1,515.69
Corporate Social Responsibility	127.06	90.92
Allowance for Expected Credit Loss	275.98	170.29
Provision for Doubtful Advances	95.11	60.62
Miscellaneous Expenses	1,988.44	2,224.96
	9,297.82	**7,916.29**

Notes to the Financial Statements (Contd.)

28. 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 Board of Directors.

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.

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximising the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debt (total debt offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company at regular interval. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Company has a target Debt to Equity ratio of 1:1 determined as the proportion of net debt to equity. The Company had net debt to equity ratio of 0.17x as on March 31, 2019 (March 31, 2018: Nil)

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.

Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is insignificant for its purchase from overseas suppliers in various foreign currencies.

The following table analyses foreign currency risk from financial instruments as of:

(₹ in Lakh)

Trade Payable	As at March 31, 2019	As at March 2018
In USD	38,079	12,993
₹ in Lakh	26.40	8.46
Conversion date of USD	March 31, 2019	March 31, 2018

Notes to the Financial Statements (Contd.)

Foreign exchange risk sensitivity:

The Company analyses a 10% variation (sensitivity) in the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ in Lakh)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(2.64)	2.64	(0.85)	0.85

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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 ₹ 34,875.00 Lakh and ₹ 25,908.85 Lakh as of March 31, 2019 and March 31, 2018 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.

Apart from Future Retail Limited, Future Lifestyle Fashion Limited and Praxis Home Retail Limited, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk did not exceed 14% of gross trade receivable as at the end of reporting period (2017-18: 25%) for Future Retail Limited, did not exceed 13% of gross trade receivable as at the end of reporting period (2017-18 : 8%) for Future Lifestyle Fashion Limited and did not exceed 12% of gross trade receivable as at the end of reporting period (2017-18 : 7%) for Praxis Home Retail Limited. No other single customer accounted for more than 10% of total trade receivable.

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in expected credit loss:

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	745.24	419.33
Movement in expected credit loss	136.48	325.91
Closing balance	**881.72**	**745.24**

Notes to the Financial Statements (Contd.)

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2019, the Company had a working capital of ₹ 15,522.70 Lakh including cash and cash equivalent of ₹ 11,708.55 Lakh and current investment of ₹ 0.70 Lakh.

As of March 31, 2018, the Company had a working capital of ₹ 10,611.47 Lakh including cash and cash equivalent of ₹ 7,861.47 Lakh and current investment of ₹ 0.70 Lakh.

29. CONTINGENT LIABILITIES NOT PROVIDED FOR:

Disputed Service tax demand ₹ 391.80 Lakh (2017-18: ₹ 391.80 Lakh)

30. Estimated amounts of contracts remaining to be expected on capital account: ₹ 3,755.18 Lakh (net of advances) (2017-18: ₹ 1,927.95 Lakh)

31. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	166.83	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	2.86	-
Interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	2.86	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the Financial Statements (Contd.)

32. RELATED PARTY DISCLOSURES

Names of Related Parties and nature of relationship		
Holding/ Ultimate holding company	-	Future Enterprises Limited
Holding company	-	Ritvika Trading Private Limited till (w.e.f. December 24, 2018)
Subsidiary company	-	Vulcan Express Private Limited
Associate company	-	Leanbox Logistics Solutions Private Limited
Fellow subsidiary	-	Work Store Limited

Group entities:

- Future Lifestyle Fashions Limited
- Future Consumer Limited
- Future Retail Limited
- Future Ideas Company Limited
- Praxis Home Retail Limited
- Galaxy Entertainment Corporation Limited
- Future Speciality Retail Limited
- Future Stylelab Limited
- Rachika Trading Limited
- Aadhar Wholesale and Distribution Limited
- Future Generali India Life Insurance Company Limited
- Apollo Design Apparel Park Limited
- Goldmohur Design and Apparel Park Limited
- Nufuture Digital(India) Limited
- S J Retail Private Limited
- Clarks Future Footware Private Limited
- Future Corporate Resources Private Limited
- Integrated Foodpark Private Limited
- Sublime Foods Private Limited
- The Nilgiris Dairy Farm Private Limited
- Hain Future Natural Products Private Limited
- Turtle Limited

Key Management Personnel

- Mayur Toshniwal (Managing Director) (w.e.f August 5, 2017)

Notes to the Financial Statements (Contd.)

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

(₹ in Lakh)

Nature of Transactions	Ultimate holding company	Subsidiary company	Associate company	Fellow subsidiary	Group entities	Key Management Personnel
Purchase of fixed assets	-	-	-	-	4,383.32	-
	(1.77)	(-)	(-)	(-)	(4,633.89)	(-)
Sale of fixed assets	-	-	-	-	-	-
	(-)	(-)	(4.16)	(-)	(-)	(-)
Income from operation	2,397.39	-	78.07	74.02	74,544.62	-
	(1,503.42)	(-)	(25.89)	(33.12)	(51,754.51)	(-)
Reimbursement of expenses	136.42	-	-	-	233.68	-
	(154.48)	(-)	(-)	(-)	(198.02)	(-)
Expenses	-	-	-	113.38	1,049.81	-
	(4.07)	(-)	(-)	(39.41)	(913.17)	(-)
Remuneration	-	-	-	-	-	248.87
	(-)	(-)	(-)	(-)	(-)	(115.13)
Investments	-	-	-	-	-	-
	(-)	(1,300)	(100.00)	(-)	(-)	(-)
Inter corporate deposit	-	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Advance given	-	397.27	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
As at March 31, 2019						
Receivables	2,298.01	-	12.88	30.27	16,339.70	-
	(1,152.68)	(-)	(18.67)	(14.15)	(10,669.78)	(-)
Payables	17.78	-	-	67.48	1,076.06	-
	-	(-)	(-)	(17.73)	(134.64)	(-)
Inter corporate deposit receivables	-	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Deposit payable	-	-	-	-	-	-
	(-)	(-)	(-)	-	(30.00)	(-)
Advance	-	397.27	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

Break up of Material Related Party Transactions:

a) Purchase of Fixed Assets includes Future Retail Limited ₹ 4,382.49 Lakh (2017-18: ₹ 4,633.89 Lakh)

b) Income from Operation includes Future Retail Limited ₹ 58,410.87 Lakh (2017-18: ₹ 43,024.05 Lakh)

c) Reimbursement of expenses includes Future Consumer Limited ₹ 43.16 Lakh (2017-18: ₹ 31.61 Lakh), Future Corporate Resources Private Limited ₹ 27.51 Lakh (2017-18: Nil) , Future Lifestyle Fashions Limited ₹ 62.96 Lakh (2017-18: ₹ 45.26 Lakh) and Future Retail Limited ₹ 83.48 Lakh (2017-18: ₹ 121.14 Lakh)

d) Expenses includes Future Corporate Resources Private Limited ₹ 180 Lakh (2017-18: ₹ 180.23 Lakh), Future Generali India Life Insurance Company Limited ₹ 153.11 Lakh (2017-18: ₹ 19.69 Lakh), Integrated Foodpark Private Limited ₹ 236.50 Lakh (2017-18: ₹ 256.31 Lakh) and Nufuture Digital(India) Limited ₹ 401.13 Lakh (2017-18: ₹ 336.14 Lakh)

Notes to the Financial Statements (Contd.)

e) Receivables includes Future Lifestyle Fashions Limited ₹ 4,469.85 Lakh (2017-18: ₹ 2,087.68 Lakh), Future Retail Limited ₹ 4,945.38 Lakh (2017-18: ₹ 6,497.70 Lakh) and Praxis Home Retail Limited ₹ 4,217.13 Lakh (2017-18: ₹ 1,833.13 Lakh)

f) Payables includes Future Retail Limited ₹ 17.63 Lakh (2017-18: ₹ 98.79 Lakh), Future Corporate Resources Private Limited ₹ 920.99 Lakh (2017-18: ₹ (105.71) Lakh), Integrated Foodpark Private Limited ₹ 25.68 Lakh (2017-18: ₹ 64.97 Lakh) and Nufuture Digital (India) Limited ₹ 140.96 Lakh (2017-18: ₹ 71.24 Lakh)

33. SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Company:

a) The ESOP titled as Future Supply Chain Solutions Limited Employees Stock Option Plan 2017 (“FSC ESOP 2017”) was approved by the Board on August 5, 2017 and by the Shareholders on August 8, 2017. FSC ESOP 2017 was also ratified by the Shareholders in terms of Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014 at the annual general meeting held on August 22, 2018. In aggregate, 4,00,000 options were covered under the FSC ESOP 2017 for 4,00,000 equity shares of ₹ 10 each.

During the year 2017-18, the Nomination and Remuneration Committee (“NRC”) of the Company granted 2,83,763 options under the FSC ESOP 2017 to certain directors and employees of the Company. The options granted are convertible into equal number of equity shares. The exercise price of each option is ₹ 350 (including ₹ 340 as share premium)

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

b) The following share-based payment arrangements were in existence during the previous year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year:

Inputs	FSC ESOP 2017
Expected volatility (%)	25.26
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00
Risk-free interest rate (Average)	6.75% - 7.01%

Notes to the Financial Statements (Contd.)

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	2,69,700	350	-	-
Granted during the year	-	-	2,83,763	350
Exercised during the year	24,875	350	-	-
Cancelled during the year	5,625	350	14,063	350
Balance at end of year	2,39,200	350	2,69,700	350

(iv) Share options exercised during the year

The following share options were exercised during the year:

Option scheme	Number exercised	Exercise date	Share price at exercise date (₹)
FSC ESOP 2017	15,875	January 24, 2019	657.00
FSC ESOP 2017	9,000	March 19, 2019	593.95

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,483 days (2017-18: 1,799 days).

Out of the ESOPs outstanding, the number of options exerciseable are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
FSC ESOP 2017	27,940	-

(vi) The expenses recognised for employee services received during the year is shown is the following table:

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expenses arising from equity settled share based payment transactions	371.80	179.44

34. EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share		
From continuing operations	24.06	22.87
From discontinued operations	(7.79)	(15.12)
Total basic earnings per share	16.27	7.75

Notes to the Financial Statements (Contd.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Diluted earnings per share		
From continuing operations	24.03	22.86
From discontinued operations	(7.79)	(15.11)
Total diluted earnings per share	16.24	7.75

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year from continuing operations (₹ in Lakh)	9,638.08	9,029.86
Weighted average number of equity shares outstanding during the year for Basic EPS	4,00,59,473	3,94,85,345
Add: Weighted Average number of equity shares on account of Employee Stock Options outstanding	57,042	9,174
Weighted average number of equity shares outstanding during the year for Diluted EPS	4,01,16,515	3,94,94,519
Earnings per share of ₹10/- each from continuing operations		
- Basic (in ₹)	24.06	22.87
- Diluted(in ₹)	24.03	22.86

35. LEASE

The Company has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements, which are non-cancellable, range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistics Services amounting to ₹ 12,095.26 Lakh (2017-18 : ₹ 9,097.75 Lakh). Lease Rent payable not later than one year is ₹ 6,618.43 Lakh (2017-18: ₹ 2,954.47 Lakh), payable later than one year but not later than five year is ₹ 12,663.45 Lakh (2017-18: ₹ 7,279.04 Lakh) and payable later than five years is ₹ 3,077.23 Lakh (2017-18: ₹ 1,517.67 Lakh).

36. SECURITY CLAUSE IN RESPECT TO SECURED BORROWINGS.

A. Short Term Borrowing

Nil (2017-18: Nil) is secured by (a) first pari-passu charge on current assets of the Company (b) second pari-passu charge on fixed assets (c) secured by personal guarantee of a Director.

B. Long Term Borrowing

During the year, the Company has issued and allotted 19,900 secured, rated, redeemable and non convertible debentures (NCDs) of ₹ 1 Lakh each aggregating to ₹ 19,900 Lakh on a private placement basis. The NCDs have been listed on Wholesale Debt Market segment of BSE Limited. The NCDs are secured by maintaining an overall minimum asset cover/ security cover of 1.25 times on net block of fixed assets on first pari passu basis on the outstanding amount. The NCDs were issued in Series I and Series II of ₹ 9,900 Lakh and ₹ 10,000 Lakh with tenure of 3 and 4 years from date of allotment, respectively. The NCDs carry an interest @10.15% payable annually and on redemption. The redemption dates for Series I & Series II are September 26, 2021 and September 26, 2022, respectively. Amount repayable includes principal sum of ₹ 9,900 Lakh in 2021-22 and ₹ 10,000 Lakh in 2022-23,

Notes to the Financial Statements (Contd.)

along with interest payment of ₹ 2,020 Lakh in 2019-20, ₹ 2,020 Lakh in 2020-21, ₹ 2,020 Lakh in 2021-22 and ₹ 1,015 Lakh in 2022-23.

The Company has taken a term loan of ₹ 1,216 lakh from Yes Bank Limited. The same is secured by way of first pari-passu charge on entire fixed assets (excluding land) and second pari passu charge on current assets along with personal undertaking of Kishore Biyani. Amount repayable is ₹ 304 Lakh each in 2020-21, 2021-22, 2022-23 and 2023-24. Rate of interest is 0.55% over and above 6 month MCLR and will be reset semi-annually and every half year thereafter. Interest shall be paid monthly.

37. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 25 under the "Contribution to Provident and Other Funds" of Statement of Profit and Loss ₹ 282.02 Lakh (2017-18: ₹ 153.11 Lakh).

Defined Benefit Plan – Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefit are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the Government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

As per Ind AS 19, the disclosures as defined in the Accounting Standard are given below:

Change in Present Value of Defined Benefit Obligation

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Present value of obligation at the beginning of the year	238.69	208.35	126.77	103.23
Current service cost	58.39	49.94	51.90	39.29
Interest cost	18.60	15.59	9.88	7.72
Remeasurement-Actuarial (gain)/ loss	(7.86)	(13.79)	6.80	56.41
Past service cost	-	5.68	-	-
Benefits paid by the Company	(39.56)	(27.08)	(39.21)	(80.33)
On account of business combination	-	-	-	0.45
Present value of obligation at the end of the year	**268.26**	**238.69**	**156.14**	**126.77**

Notes to the Financial Statements (Contd.)

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	3.20	2.98
Investment Income	0.25	0.22
Fair value of plan assets at the end of the year	**3.45**	**3.20**

Net Defined Benefit Liability / (Assets)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	268.26	238.69
Fair value of plan assets	(3.45)	(3.20)
Surplus / (Deficit)	264.81	235.49
Net defined benefit liability / (assets)	**264.81**	**235.49**

Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	58.39	49.94	51.90	39.29
Past service cost	-	5.68	-	-
Net interest on the net defined benefit liability / asset	18.36	15.37	9.88	7.72
Remeasurement on (gain) / loss	-	-	6.80	56.41
Total expenses recognised in Statement of Profit and Loss	**76.75**	**70.99**	**68.58**	103.42

Re-measurement Effects recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (gains) / loss	(7.86)	(13.79)
(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	**(7.86)**	**(13.79)**

Financial Assumptions used for the purpose of the actuarial valuations were as follow:

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discounted rate (per annum)	7.70%	7.80%	7.70%	7.80%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Notes to the Financial Statements (Contd.)

Sensitivity analysis: Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below:

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	268.26	238.69

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	306.61	236.11	281.54	221.67
Salary Growth rate (- / + 1%)	235.79	306.52	221.66	281.14
Attrition rate (- / + 50% of attrition rates)	264.30	271.92	254.08	245.67
Mortality rate (- / + 10% of mortality rates)	267.94	268.57	248.79	249.33

The sensitivity analysis presented above may not be repsesentive of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

38. FINANCIAL INSTRUMENTS

All categories of financial assets and financial liabilities are measured at amortised cost.

39. BUSINESS COMBINATION

During the year, the Board of Directors of the Company had approved a Scheme of Arrangement under Sections 230-232 read with Section 66 of the Companies Act, 2013 ("Scheme") between the Company and its wholly owned subsidiary Vulcan Express Private Limited ("Vulcan") and their respective Shareholders and Creditors. The Scheme received all the requisite approvals and has been given effect to in the books with effect from the appointed date as mentioned in the Scheme. The Scheme became effective on December 14, 2018.

The Scheme envisages demerger of "Fulfilment Business Undertaking" and "Last Mile Delivery Business Undertaking" of Vulcan and vest into the Company on October 1, 2016 on a going concern basis. In view of Vulcan being the wholly owned subsidiary of the Company, no consideration was proposed to be paid for the arrangements embodied in the Scheme.

Assets acquired and liabilities recognised on the appointed date under pooling of interest method:

Particulars	(₹ in Lakh)
Current assets	
Cash and cash equivalents	523.82
Trade and other receivables	2,914.24
Other Current Assets	1,410.45
Non-current assets	
Property, plant and equipment	5,565.03

Notes to the Financial Statements (Contd.)

Particulars	(₹ in Lakh)
Capital work in progress	1,221.12
Intangible Assets	132.61
Other Non-Current Assets	809.64
Current liabilities	
Borrowings	9,140.00
Trade and other payables	5,247.96
Other Current Liabilities and Provisions	713.15
Non-current liabilities	
Other Non Current Liabilities	64.98
Other Equity	(2,589.18)

40. ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Board of Directors of the Company at its meeting held on February 7, 2019, approved sale of Last Mile Delivery Business ("Division") of the Company on a Slump Sale basis to Leanbox Logistics Solutions Private Limited ("Leanbox"), an Associate company. The transaction is expected to be completed in 2019-20. Consideration of slump sale would be settled by allotment of shares to the Company by Leanbox thereby making it a subsidiary of the Company.

Assets and Liabilities of this division are accordingly classified as held for sale and no impairment loss is recognised. The major classes of assets and liabilities of the division at the end of the reporting period are as follows:

(i) Assets of business held for sale and Liabilities associated

(₹ in Lakh)

Particulars	As at March 31, 2019
Assets related to business	3,626.55
Liabilities associated with assets held for sale	2,684.11

(₹ in Lakh)

Particulars	As at March 31, 2019
Property, Plant And Equipment	564.95
Intangible Assets	90.10
Other Financial Assets	214.62
Trade Receivables	2,093.23
Cash and Cash Equivalent	658.20
Other Current Assets	5.45
Assets of business classified as held for sale	**3,626.55**
Provisions	120.97
Trade Payables	2,473.82
Other Current Financial Liabilities	89.32
Liabilities associated with assets held for sale	**2,684.11**

Notes to the Financial Statements (Contd.)

(ii) Analysis of Profit and Loss from discontinued operations

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	11,270.52	9,801.46
Other Income	20.43	115.72
Total Revenue	11,290.95	9,917.18
Cost of Logistics Services	10,924.72	10,041.34
Employee Benefits Expense	1,885.33	2,984.65
Depreciation and Amortisation Expense	341.32	363.95
Finance Costs	176.69	728.98
Other Expenses	1,085.25	1,768.64
Total Expense	14,413.31	15,887.56
Profit before tax	(3,122.36)	(5,970.38)
Attributable income Tax Expense	-	-
Loss from discontinued operations	(3,122.36)	(5,970.38)

(iii) Cash flows from discontinued operations

The cash from operation activity for discontinued operation is ₹ (2,214.62) Lakh for 2018-19 and the same is financed from internal accruals.

The cash flow investing and financing activity for discontinued operation is Nil for 2018-19

41. The current tax expenses for the year can be reconciled to the accounting profit as follows:

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	9,638.08	9,029.86
Loss before tax from discontinued operations	(3,122.36)	(5,970.38)
Profit for the year	6,515.72	3,059.48
Income tax expenses calculated at 34.94% (2017-18 : 34.61%)	2,276.85	1,058.82
Effect of allowance to the extent of income tax expenses	(2,276.85)	(1,058.82)
Current tax expenses recognised in the Statement of Profit and Loss	-	-

42. The Company is engaged only in Logistics services in India and there are no separate reportable business and geographical segments under Ind AS 108 relating to operating segments.

43. As required under clause (4) of Section 186 of the Companies Act 2013, the Company had made an investment of Nil (2017-18: ₹ 6,312.26 Lakh) and given an Inter Corporate Deposit (ICD) of ₹ 50.00 Lakh (2017-18: Nil) during the year. The interest rate on ICD is 12.5% p.a. and is given for general corporate purpose for a period of 1 year.

As required under Schedule V of SEBI (Lisitng Obligations and Disclosure Requirements) Regulation, 2015 the Company has an outstanding loan amount of ₹ 50.00 Lakh (2017-18: Nil) given to Leanbox Logistics Solutions Private Limited (Associate company). Maximum Loan amount outstanding is ₹ 50.00 Lakh (2017-18: Nil).

44. APPROVAL OF FINANCIAL STATEMENT

The Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on May 13, 2019.

As per our report of even date attached
For **GMJ & Co.**
Chartered Accountants
Firm Registration No: 103429W

Sanjeev Maheshwari
Partner
Membership No.: 038755

Place: Mumbai
Date: May 13, 2019

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

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN: 00036303

P V Sheshadri
(Chief Executive Officer)

Samir Kedia
(Chief Financial Officer)

Vimal Dhruve
(Company Secretary)